urging the enactment of such legislation as will provide for the relief of all those citizens who are entitled to such relief, but who because of lack of residential qualifications are unable to qualify for indigent aid; to the Committee on Ways and Means.

SENATE

Tuesday, November 20, 1945

(Legislative day of Monday, October 29, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou God of our salvation, to Thee we lift our hearts in prayer, bringing nothing but our need and the adoration of our contrite spirits. From Thy hands we have received the gift of life, the blessings of home and of friendship, and the sacrament of beauty; in the fullness of Thy mercy Thou hast given us work to do and the strength wherewith to do it.

Make Thou our consecration a channel for the healing stream of Thy grace, so that having been sustained by Thy patience we may be patient, having freely received Thy bounty we may be bountiful, and having been blessed by Thy love without measure we may obey Thy behest, in an earth which is now one neighborhood, to love our neighbor as ourself. Through riches of grace in Christ Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. HATCH, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, November 19, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4129) to provide for reorganizing agencies of the Government, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Manasco, Mr. Cochran, Mr. Whittington, Mr. Hoffman, and Mr. Bender were appointed managers on the part of the House at the conference.

CALL OF THE ROLL

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ball Brewster Butler Barkley Buck Capper Bilbo Bushfield Carville Chavez Knowland Saltonstall La Follette Shipstead Cordon Luicas Smith Donnell Stewart Downey McClellan Taft Eastland Ellender Taylor McFarland Thomas, Okla. McKellar Ferguson Fulbright Maybank Tcbey Tunnell Mitchell Tydings Wagner Walsh George Moore Gerry Green Morse Guffey Murdock Wheeler Gurney Myers Wherry O'Daniel Hatch White Hayden O'Mahoney Wiley Hill Radcliffe Willis Reed Wilson Huffman Revercomb Young Johnson, S. C. Robertson

CONGRESSIONAL RECORD—SENATE

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from Florida [Mr. Andrews], the Senator from North Carolina [Mr. Balley], the Senator from Alabama [Mr. Bankhead], the Senator from Missouri [Mr. Briggs], the Senator from Louisiana [Mr. Overton], and the Senator from Utah [Mr. Thomas] are necessarily absent.

The Senator from Florida [Mr. Per-Per] is absent on official business.

The Senator from Washington [Mr. Magnuson] is a delegate to the American Legion convention in Chicago, and is therefore necessarily absent.

The Senator from Montana [Mr. Muray] is attending the conference in London to consider the creation of an educational and cultural organization of the United Nations.

The Senator from Virginia [Mr. Byrd], the Senator from Colorado [Mr. Johnson], the Senator from Connecticut [Mr. McMahon], and the Senator from Georgia [Mr. Russell] are absent on official business with the Special Committee on Atomic Energy.

Mr. WHERRY. The Senator from Vermont [Mr. Austin], the Senator from Connecticut [Mr. Hart], the Senator from Iowa [Mr. Hickenlooper], the Senator from Colorado [Mr. Millikin], and the Senator from Michigan [Mr. Vandenberg] have been excused. They are members of the Atomic Energy Committee, which is on an inspection trip to Oak Ridge, Tenn.

The Senator from Maine [Mr. Brewster] and the Senator from Michigan [Mr. Ferguson] are detained at a meeting of the Pearl Harbor Investigating Committee.

The Senator from Illinois [Mr. Brooks] and the Senator from North Dakota [Mr. Langer] are members of the Senate committee attending the funeral of the late Senator Thomas of Idaho.

The Senator from Indiana [Mr. Cape-Hart] is unavoidably absent because of injuries resulting from an accident.

The Senator from New Hampshire [Mr. Bridges] and the Senator from New Jersey [Mr. Hawkes] are necessarily absent.

The Senator from Vermont [Mr. Aiken] has been excused and is necessarily absent.

The PRESIDENT pro tempore. Sixtyeight Senators having answered to their names, a quorum is present. SPECIAL COMMITTEE TO INVESTIGATE PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

The PRESIDENT pro tempore. The Chair appoints the Senator from Wyoming [Mr. Robertson] a member of the Special Committee to Investigate the Production, Transportation, and Marketing of Wool, to fill the vacancy caused by the death of Hon. John Thomas, late a Senator from the State of Idaho.

EXECUTIVE COMMUNICATIONS. ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

STATISTICS OF THE GRADE AND STAPLE LENGTH OF COTTON

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 5 of the act entitled "An act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton" (with accompanying papers); to the Committee on Agriculture and Forestry.

Additional Claim for Damage Caused by Vessels of the Navy

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, an additional claim for damage by collision between the barge Annapolis and the U. S. S. Moray; to the Committee on Naval Affairs.

PETITION RELATING TO TOLL-FREE PRIVILEGES ON SAN FRANCISCO-OAK-LAND (CALIF.) BAY BRIDGE

The PRESIDENT pro tempore laid before the Senate a letter from C. H. Purcell, director of public works of the State of California, Sacramento, Calif., transmitting a resolution adopted by the California Toll Bridge Authority, relating to clarification and restriction of toll-free privileges for Government traffic using the San Francisco-Oakland (Calif.) Bay Bridge, which, with the accompanying resolution, was referred to the Committee on Commerce.

PEACETIME COMPULSORY MILITARY TRAINING—LETTER FROM CAUTIOUS A. CHOATE

Mr. CAPPER. Mr. President, I ask unanimous consent to present for printing in the Record and appropriate reference a letter from Cautious A. Choate, executive secretary, Central Kansas Conference of the Methodist Church, Wichita, Kans., protesting against the enactment of legislation providing for peacetime compulsory military training.

There being no objection, the letter was received, referred to the Committee on Military Affairs, and ordered to be printed in the Record, as follows:

THE CENTRAL KANSAS
CONFERENCE BOARD OF EDUCATION,
THE METHODIST CHURCH,
Wichita, Kans., November 12, 1945.
The Honorable Arthur Capper,
Senate Office Building,
Washington, D. C.

My Dear Senator Capper: Ninety thousand Methodist people of central and western Kansas do not want universal peacetime conscription of their young men.

I represent the Central Kansas Conference of the Methodist Church and my work takes me over the western two-thirds of the State. On every hand I hear expressed a great fear that universal military peacetime training will be fastened upon America at this time. There is a common feeling that this would

be one of the greatest tragedies to come out of the war.

I find general objection to this program, from the humblest member of the church to the bishops, on the following grounds:

1. Military training throws young men, as yet unready for the temptations of military life, into a society which far too often cor rupts the moral and spiritual life in which the strength of any nation lies.

2. It creates a military set of mind that can see only force as a vital factor in the settlement of international disputes

3. It would class our country among the great group of nations which have depended upon universal training and have experienced it as one of the chief factors of their

4 Our emphasis today should be on the positive factors which create good will, the surest kind of defense.

We should promote and support the machinery being set up for international co-operation. Universal military training is a slap in the face to other nations and an invitation for them to do likewise, thus condemning everything which is being done for peace.

5. Against whom are we preparing? Japan and Germany are defeated. Only Russia is a possible enemy. A good-neighbor policy toward her would be much more effective than an armament race.

6. The whole program looks too much like an effort of the military group to fasten the system upon America at a time when we are uncertain and afraid. The fact that with peace many officers are facing demotion cannot be a negligible factor in any citizen's thinking on this subject.

These reasons and many others make the defeat of any bill for peacetime military training the No. 1 "Must" for every Christian. Let us give good will and friendliness a chance before we adopt so belligerent a policy.
Sincerely yours,

CAUTIOUS A. CHOATE, Executive Secretary.

RETIREMENT OF CERTAIN OFFICERS OF THE NATIONAL GUARD

Mr. HATCH. Mr. President, I hold in my hand a letter from Samuel W. Barrow, national commander of the Twentyninth Division Association, Washington, D. C., embodying a resolution adopted by the Twenty-ninth Division Association, comprising former officers and enlisted men, including inductees, of the Twentyninth Division, United States Army, American Expeditionary Forces, World War I and World War II, at their annual convention held in the city of Baltimore, Md., relative to Senate bill 1239, to provide for retirement of certain officers and former officers of the National Guard, a measure which my colleague [Mr. CHAVEZ] introduced. I ask unanimous consent to present the letter embodying the resolution, and that it be printed in the RECORD and referred to the Committee on Military Affairs.

There being no objection, the letter embodying the resolution was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

NATIONAL HEADQUARTERS, TWENTY-NINTH DIVISION ASSOCIATION November 16, 1945.

Hon. CARL A. HATCH,

United States Senate, Washington, D. C.

DEAR SENATOR: The Twenty-ninth Division Association, Inc., at the annual convention which assembled on the 2d day of September 1945 at the Lord Baltimore Hotel, Baltimore, Md., adopted the following resolution:

"Resolution 5

"Resolution to provide for retirement of certain officers and former officers of National

"Whereas Senate bill 1239, Seventy-ninth Congress, first session, a bill to provide for the retirement of certain officers and former officers of the National Guard of the United States, Territories, and the District of Columbia, has been introduced in the United States Senate: Therefore be it

"Resolved, That the Twenty-ninth Division Association comprising former officers and enlisted men (including inductees) of the Twenty-ninth Division, United States Army, American Expeditionary Forces, World War I and World War II, at their annual convention held in the city of Baltimore in the State of Maryland, on September 1, 2, and 3, A. D. 1945, are unanimously in favor of such legislation; therefore, be it further "Resolved, That this resolution be for-

warded to the distinguished Senator from the State of New Mexico, the Honorable CARL A. HATCH for insertion in the Congressional RECORD at the earliest practicable date."

Sincerely yours,

SAMUEL W. BARROW, National Commander.

Mr. CHAVEZ presented a letter embodying a resolution identical with the foregoing, which was referred to the Committee on Military Affairs.

NATIONAL HEALTH INSURANCE

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very fine telegram received by me from the Physicians Forum of New York, commending me for introducing yesterday the health bill, which is designed to carry out the recommendations of President Truman.

There being no objection, the telegram was ordered to be printed in the RECORD.

as follows:

NEW YORK, N. Y., November 19, 1945. Hon. ROBERT F. WAGNER, United States Senate,

Washington, D. C .: The Physicians Forum congratulates and commends you for introducing a new national health-insurance bill in accordance President Truman's message. heartily agree that such legislation is the only means to proper distribution of good medical care for all Americans. We are also completely in accord with the provisions for Federal support for hospital construction, for expansion of public-health, maternal and child-health services, for more adequate professional education and research, and for disability insurance. As practicing physicians, we know that only through such a national measure can the health needs of all the people best be served.

ERNEST P. BOAS, M. D. Chairman. MILES ATKINSON, M. D., Vice Chairman. SIDNEY M. GREENBERG, M. D., Treasurer. GEORGE D. CANNON, M. D., Secretary. HENRY B. RICHARDSON, M. D. Editor.

REPORT OF A COMMITTEE

Mr. CARVILLE, from the Committee on Mines and Mining, to which was referred the bill (S. 1483) to amend the act entitled "An act providing for the suspension of annual assessment work on mining claims held by location in the United States, including the Territory of

Alaska," approved May 3, 1943, reported it without amendment and submitted a report (No. 754) thereon.

REHABILITATION OF THE PHILIPPINE ISLANDS-REPORT OF A COMMITTEE

Mr. TYDINGS. Mr. President, from the Committee on Territories and Insular Affairs, I ask unanimous consent to report without amendment the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, and I submit a report (No. 755) thereon. The report recommends the passage of the bill.

The PRESIDENT pro tempore. Without objection, the report will be received and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. O'MAHONEY:

S. 1611. A bill authorizing the erection of a monument to Sacajawea; to the Committee on Indian Affairs.

By Mr. MITCHELL (for himself, Mr. FULBRIGHT, Mr. CORDON, and Mr. MORSE):

S. 1612. A bill to amend the act of January 22, 1932, as amended (47 Stat. 5), to authorize and direct the Reconstruction Finance Corporation to purchase aluminum for stockpiling purposes; to the Committee on Banking and Currency.

By Mr. TYDINGS:

S. 1613. A bill extending certain recognition and rights to members of the Voluntary Port Security Forces and members of the Coast Guard Auxiliary who were enrolled as temporary members of the United States Coast Guard Reserve; to the Committee on Naval Affairs.

FUNERAL EXPENSES OF THE LATE SENATOR THOMAS OF IDAHO

Mr. TAYLOR submitted the following resolution (S. Res. 193), which was re-ferred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the President pro tempore of the Senate in arranging for and attending the funeral of Hon. John Thomas, late a Senator from the State of Idaho, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LUCAS subsequently said: Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably without amendment Senate Resolution 193, submitted today by the Senator from Idaho [Mr. TAYLOR]. providing for payment of funeral expenses of the late Senator John Thomas. of Idaho, who recently passed away, and I request unanimous consent for the present consideration of the resolution.

There being no objection, the resolution (S. Res. 193) was considered by unanimous consent, and agreed to.

WHAT'S WRONG WITH CONGRESS?-ARTICLE BY SENATOR BRIDGES

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article

entitled "What's Wrong With Congress?" written by Senator BRIDGES and published in the October issue of Pageant magazine, which appears in the Appendix.]

ADDRESS BY SENATOR TUNNELL BEFORE CONFERENCE ON ATOMIC POWER AND PUBLIC POLICY

[Mr. HATCH asked and obtained leave to have printed in the RECORD an address delivered by Senator TUNNELL before the conference on atomic power and public policy held in New York City, on November 17, 1945, which appears in the Appendix.]

ABOLITION OF THE POLL TAX-AD-DRESSES BY SENATORS GUFFEY AND FILENDER

IMr. HATCH asked and obtained leave to have printed in the RECORD radio addresses delivered by Senators GUFFEY and ELLENDER on November 19, 1945, on the subject of abolition of the poll tax, which appear in the Appendix.]

RELATIONS BETWEEN AMERICA AND RUSSIA-ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. HILL asked and obtained leave to! ave printed in the RECORD an article entitled "Can America and Russia Stay Friends?" by Senator Thomas of Utah and published in the November 1945 issue of Pageant magazine which appears in the Appendix.]

ADDRESS BY SECRETARY OF AGRICUL-TURE TO SOUTHEASTERN AGRICUL-TURAL CONFERENCE

IMr. JOHNSTON of South Caroling asked and obtained leave to have printed in the RECORD an address delivered by the Secretary of Agriculture in Anderson, S. C., to the Southeastern Agricultural Conference, which appears in the Appendix.]

SURPLUS PROPERTY DISPOSAL AS IT RE-LATES TO VETERANS-LETTER FROM SURPLUS PROPERTY ADMINISTRATOR

IMr. O'MAHONEY asked and obtained leave to have printed in the RECORD a letter dated November 9, 1945, from Stuart Symington, Surplus Property Administrator, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING-STATE-MENT BY DEANE W. MALOTT

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a statement on universal military training, by Deane W. Malott, chancelor of the University of Kansas, which appears in the Appendix.]

CONTINUATION OF EMPLOYMENT SERV-ICE UNDER FEDERAL GOVERNMENT

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a statement prepared by the International Association of Public Employment Services setting forth reasons why the Employment Service should continue as a Federal service, which appears in the Appendix.]

FIRST SUPPLEMENTAL SURPLUS APPRO-PRIATION RESCISSION ACT, 1946

The Senate resumed the consideration of the bill (H. R. 4407) reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes.

The PRESIDING OFFICER (Mr. Hoey in the chair). The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Title I-Executive Office of the President, independent offices, and executive departments," on page 2, line 7, after the word "expenses", to strike out "\$5,226,461" and insert "\$3,437,042."

The amendment was agreed to.

Mr. WHITE. Mr. President, before we proceed further with the committee amendments, may we not have a general statement concerning the bill?

Mr. McKELLAR. I shall be very glad to make one.

Mr. WHITE. There are two things in particular in my mind that I should like to have brought out.

Mr. McKELLAR. Of course this is an appropriation rescission bill. We have appropriated very large sums for the entire year for the war. The war ended a short time ago, and recommendations have been made by the President to cancel a great many appropriations. That is the main purpose of the bill.

I will ask the Senator from Maine what were the specific things he wanted to have brought out?

Mr. WHITE. The bill seeks, as it is framed perhaps, to repeal appropriations heretofore made.

Mr. McKELLAR. Not to repeal appropriations, but to reduce the amounts in very substantial sums.

Mr. WHITE. I think the total sum is approximately \$51,000,000,000.

Mr. McKELLAR. The total amount as reported to the Senate is \$51,244,680,213.

Mr. WHITE. That is the amount, then, by which appropriations heretofore made are to be reduced?

Mr. McKELLAR. Some of them are canceled, but in most instances they are reduced.

Mr. WHITE. Can the Senator tell us what amounts are still left available to the various agencies and departments of the Government?

Mr. McKELLAR. Yes; they are shown in the report. I will give them in a moment.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield. Mr. REVERCOMB. What is the total amount of the reductions for 1946?

Mr. McKELLAR. Will the Senator repeat the question?

Mr. REVERCOMB. What is the total amount of the reductions contained in this bill?

Mr. McKELLAR. The total amount of reductions reported by the committee is \$51,244,680,213.

Mr. REVERCOMB. May I ask the able Senator whether that reduction will be reflected in the tax bill for next year?

Mr. McKELLAR. I do not know. The Senator will have to ask that question of Senators who are members of the Finance Committee. I see one to my left, the chairman of the committee, the Senator from Georgia [Mr. George], and a very active member in front of me, the Senator from Ohio [Mr. TAFT]. They can tell more about that than I can. I am not a member of that committee. But I will say that the cancellation of \$51,000,000,000 which has been appropriated ought to make a very important difference in our financial condition in that there will not be spent the \$51,000,-000,000 which otherwise would probably be spent if it were not canceled.

Mr. REVERCOMB. Then it certainly ought to be reflected in a reduction in the taxes in the next tax bill Congress will be called upon to pass.

Mr. McKELLAR. As I understand, the tax bill already enacted reduces taxes very considerably. I do not recall the exact figures.

Mr. GEORGE rose.

Mr. McKELLAR. I yield to the Senator from Georgia for the purpose of answering the question.

Mr. REVERCOMB. Does the Senator refer to the tax bill of this year, the one Congress recently passed?

Mr. McKELLAR. Yes.

Mr. REVERCOMB. I am inquiring if the cancellation by the pending bill of great appropriations will be reflected in reduction in taxes for 1946?

Mr. McKELLAR. I yield to the Senator from Georgia to answer that ques-

Mr. GEORGE. I was about to say, Mr. President, that the reductions or cut-backs made in prior appropriations will not be reflected in the tax bill for the simple reason that we will still have a deficit, even after these reductions are made, so that the budget will still show a deficit for 1946-47. The most optimistic hope expressed anywhere I think is that by 1948 we may have a balanced budget, and then there should be further reduction in taxes.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. I think I might say that, so far as the Finance Committee estimates are concerned, they are based on Budget expenditures, and we have never, since Congress came back this fall, expected to spend the \$51,000,000,000. has never been counted in any estimates; and by rescinding the appropriations we do not in any way reduce the estimates of expenditure for the fiscal year 1946 or the estimates of expenditures for the fiscal year 1947.

I may say further that if the President's recommendation of a health program or an insurance program, which was submitted yesterday, is adopted there will be no further tax reductions under any circumstances, because that would cost at least three or four billion dollars a year out of the General Treasury in addition to the pay-roll taxes.

Mr. McKELLAR. Mr. President, the Senator from Maine asked for amounts which are left in the various appropriations, and I am very happy to give the figures.

The various executive agencies will have left \$12,387,845,048.

The Military Establishment will have left \$23,884,693,366, which, as can be easily seen, is quite a tidy sum.

The Naval Establishment will have left

\$56,941,859,984. So that the appropriations are still quite large, and necessarily so. The figures are for the whole fiscal year.

Mr. WHITE. Can the Senator give the total of the figures he just recited?

Mr. McKELLAR. They total \$94,000,-000,000. We have canceled \$51,000,000,-000 of the appropriations, and this is November, and there will be another rescission bill later on, as I understand.

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Mr. President, if there are no further questions, I ask that the bill be read for committee amendments.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BILBO. While the Senator is speaking of reductions, I should like to ask for an explanation of the item on page 30, line 19, Naval Training Station. For 1944 the amount is \$54,000 and for 1945 it is \$600,000. Why is there such an increase?

Mr. McKELLAR. That is not an increase at all. This is a cancellation For the naval training station at Lake Pend Oreille, Idaho, for the fiscal year 1944 there had been unexpended the sum of \$54,790; and for the fiscal year 1945, \$604,708. We save that much in those 2 years.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 2, in line 10, after the word "to", to strike out "\$150,000" and insert "\$190,000"; in line 12, after the word "to", to strike out "\$40,000" and insert "\$50,000"; and in line 14, after the word "to", to strike out "\$25,000" and insert "\$100,000."

The amendment was agreed to.

The next amendment was, on page 3, line 14, after the word "expenses", to strike out "\$10,662,558" and insert "\$5,-662,558"; in line 19, after the word "to", to strike out "\$25,000" and insert "\$30,-000"; in line 20, after the word "to", strike out "\$230,000" and insert "\$240,-000"; in line 22, after the word "to", to strike out "\$550,000" and insert "\$600,-000"; and in line 24, after the word "to", to strike out "\$40,000" and insert "\$50,-000.

The amendment was agreed to.

The next amendment was, on page 5, line 9, after the word "expenses" strike out "\$11,500,000" and insert "\$9,-500,000"; in line 13, before the word "and", to strike out "\$2,000,000" and insert "\$3,000,000"; and in line 15, after the word "to", to strike out "\$1,750,000" and insert "\$2,750,000."

The amendment was agreed to.

The next amendment was, on page 5, line 23, after the word "Management", to strike out "\$447,886,225" and insert "\$439,096,806."

The amendment was agreed to.

The next amendment was, under the heading "Independent Offices", on page 7, after line 17, to strike out:

Federal Communications Commission: Salaries and expenses, Federal Communica-tions Commission (national defense), \$930,-

The amendment was agreed to. The next amendment was, on page 8, after line 14, to strike out:

SOCIAL SECURITY BOARD

There is appropriated, out of any money in the Treasury not otherwise appropriated. for the fiscal year ending June 30, 1946, for grants to States for administration of unemployment compensation and employment service facilities operated in conjunction therewith, as authorized in title III of the Social Security Act, approved August 14, 1935, as amended, \$30,000,000, which shall be in addition to the amounts appropriated for such purposes in title II of the Labor Federal Security Appropriation Act, 1946.

The amendment was agreed to.

The next amendment was, under the subhead "National Housing Agency," on page 11, line 3, after the words "independent offices", to strike out "\$666,505,849" and insert "\$665,575,849."

The amendment was agreed to.

The next amendment was, under the heading "Executive departments (nonwar), Department of Agriculture," on page 11, after line 6, to strike out:

Emergency rubber project, \$1,649,790, and the balance remaining shall be used to liquidate such project, including the elimination of the remaining plantations, the rehabilitation and return of leased lands to the owners and the disposal of other property according to law, and for the continuation of the production, breeding, and disease phases of guayule research on indicator plots and experimental areas until June 30,

And in lieu thereof to insert the following:

Emergency rubber project, \$1,649,790, and the balance remaining shall be used under the direction of the Secretary of Agriculture to liquidate such project in an orderly manner immediately on the passage of this act, including selling the two mills as individual units and disposal of each lease by sale or by contractual arrangement; and for field and laboratory research on the various phases of guayule and retaining all needed property and equipment to carry out this purpose.

The amendment was agreed to.

The next amendment was, under the subhead "Department of the Interior," on page 13, after line 15, to strike out:

Office of the Secretary: Salaries and expenses, Division of Geography, \$20,000.

The amendment was agreed to. The next amendment was, on page 13,

after line 17, to strike out: War Relocation Authority: Salaries and expenses, War Relocation Authority, Department of the Interior, \$5,000,000.

The amendment was agreed to. The next amendment was, under the subhead "Department of Justice," on page 15, line 6, after "crimes (emergency)", to strike out "\$2,480,000" and insert "\$1,240,000."

The amendment was agreed to.

The next amendment was, under the subhead "Department of Labor," on page 15. after line 19, to strike out:

Employment office facilities and services: The unexpended and unobligated balances, on the thirtieth day after the date of the enactment of this act, of appropriations, excluding the appropriation of \$7,791,134 to carry into effect the provisions of section 602 of title IV of the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, made in the first paragraph under the heading "Employment office facilities and services" in title VII of the Labor-Federal Security Appropriation Act, 1946, shall, on such thirtieth day, be carried to the surplus fund and covered into the Treasury.

And in lieu thereof to insert the following:

Employment Office Facilities and Services: The appropriations made in the first paragraph under the heading "Employment Office Facilities and Services" in title VII of the Labor-Federal Security Appropriation Act, 1946, shall be available, in addition to the objects which are specified in the first paragraph under the heading "Employment Office Facilities and Services" in title VII of the Labor-Federal Security Appropriation Act, 1946, for grants to States to finance the total costs of administration of State-wide systems of public employment offices, in accordance with standards and regulations prescribed by the Secretary of Labor as necessary to carry out the purposes of the act of Congress approved June 6, 1933, as amended (excluding sec. 5 thereof): Provided, That the Secretary of Labor shall make such grants through the Social Security Board-and in accordance with the procedures applicable to grants under title III of the Social Security Act, as amended, and shall, in connection therewith, certify to the Social Security Board the amounts of such grants for each State; and upon such certification the Social Security Board shall certify such amount to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) the Social Security Act, as amended, and the additional amount so certified shall be paid to each State by the Secretary of the Treasury out of the appropriations herein made available for such grants: Provided, That such portion of such appropriations as may be necessary shall be available to the United States Employment Service for all necessary expenses, including personal services in-curred in connection with the operation of employment office facilities and services in the District of Columbia: Provided further, That no portion of such appropriations shall be made available to a State unless the State (1) has made provision for the transfer to and retention in the State-wide system of public employment offices of employees of the Federal Government who had been employed in State and local employment service functions in such State, in the positions oc-cupied by them under the Federal service or in reasonably comparable positions except that individuals so transferred may be separated or terminated for good cause, as determined in individual cases under the applicable State merit system, or separated or terminated by reason of reductions in force found necessary in the interests of efficient operations, and may be separated after they have been given a reasonable opportunity to acquire eligibility for continued employment in the State-wide system of public employment offices under the State merit system in the positions occupied by them under the Federal service or in reasonably comparable positions or (2) has requested the detail of such employees to the State agency under the following proviso: Provided further, That so much of such appropriations as may be necessary shall be available, in lieu of any portion of the grant to the State, for the payment of compensation (under the salary scales applicable to such employees prior to the enactment of this act) to employees of the United States Employment Service in the Department of Labor, who, upon the request of the State, and for the purpose of permitting continuity in their employment pending an opportunity to qualify for State employment in accordance with this paragraph, may be detailed by the Secretary of Labor to the State agency for service in the State-wide system of public employment_ offices: Provided further, That if, after reasonable notice and opportunity for hearing (which may be a joint hearing with the Social Security Board under title III of the Social Security Act, as amended) to the State agency, the Secretary of Labor or his repre-sentative determines, and so certifies to the Social-Security Board, that the State has failed substantially to comply with the pro-visions required by this paragraph or with standards and regulations prescribed to carry out the purposes of the act of Congress ap-

proved June 6, 1933, as amended, the Secretary of Labor, in lieu of making the grant to the State for such purpose, may maintain in such State a State-wide system of public employment offices until the Secretary is satisfied that there will no longer be any

such failure to comply.

On the earliest practicable date in the case of each State, but in no case later than the one hundred and twentieth day after date of enactment of this act, the Secretary of Labor shall transfer to the State agency in each State designated under section 4 of the act of Congress approved June 6, 1933, as amended, as the agency to cooperate with the United States Employment Service under said act, the operation of State and local public employment office facilities in such State, and in connection therewith the Secretary of Labor shall provide for the return to such State of the employment office facilities and properties transferred by such State to the Federal Government in 1942 to promote the national war effort and may also provide for the transfer and assignment to such State, without reimbursement thereof all other public employment office facilities and properties including records, files, and office equipment which are located in such State: Provided, That as a condition to such transfer and assignment of Federal properties the Secretary may require the recipient State to waive any claim which may then exist or thereafter arise out of the use made by the Federal Government of, or for the loss of or damage to, property and facilities transferred by the State to the Federal Government in 1942.

Mr. BARKLEY. Mr. President, this is the amendment covering pages 16 to 20, involving the United States Employment

Mr. McKELLAR. It involves the return of the Employment Services to the

Mr. BARKLEY. I offer an amendment on page 19, line 12, after the word "than". to strike out the remainder of that line and all of line 13, and insert in lieu thereof "June 30, 1946", so as to read:

On the earliest practicable date in the case of each State, but in no case later than June 30, 1946, the Secretary of Labor shall transfer to the State agency-

And so forth.

Mr. McKELLAR. Mr. President, this question was the subject of controversy in the committee. I offered a similar amendment in the committee, and it was rejected by a small margin. So far as I am concerned, I am perfectly willing to take the amendment to conference. However, I believe that the Senator from Minnesota [Mr. Ball] feels that it ought not to be adopted.

Mr. BALL. Mr. President, I was out of the Chamber for a few moments. Has the Senator from Kentucky offered an amendment?

Mr. BARKLEY. Yes. I offered an amendment on page 19, line 12, to strike out the language "the one hundred and twentieth day after the enactment of this act" and substitute "not later than June 30, 1946", so as to read:

On the earliest practicable date in the case of each State, but in no case later than June 30, 1946, the Secretary of Labor shall transfer to the State agency-

And so forth. I wish to make a very brief statement in support of my amendment. As we all know, the President, in a message to Congress and in communications to both Houses, has urged that the

United States Employment Service be not returned to the States immediately. He has called our attention to the national problem which confronts our Government with reference to unemployment. and in my judgment he has properly emphasized, at least during the period of reconversion, the national obligation growing out of possible widespread unemployment. We all know that this situation grows out of the postwar period. It grows out of the wide dispersion throughout the country of employees in war plants, and it grows out of the very natural inclination of people involved in possible unemployment to look to the Government of the United States, under whose program this situation has been or may be created, to find jobs for them. In my judgment, the President has wisely suggested that the United States Employment Service beretained for a short period. He has not advocated, and does not now advocate, that the United States Employment Service be kept permanently as an agency of the United States Government, although there are many who feel that there ought to be such a permanent service. I am one of them. But that has nothing to do with the return to the States of the United States Employment Service which is now in existence and which was taken over by the Federal Government as a result of the war. The President has urged that a little more time be given to enable this agency to help work out the problem of employment; and it is a wellknown fact that, regardless of the number of men now unemployed or the number who may be unemployed within the next few months, the vast majority of them are applying to the United States Employment Service to help them secure positions. There is bound to be a hiatus, whether brief or extended, between the return of the Service to the States and the ability of the States to deal adequately with the problem. There may be a change in personnel, and there likely will be, when it becomes a wholly Stateoperated institution. During that readjustment of personnel there is bound to be, as I see it, a lag in the efficiency of the Service.

The bill which the committee has reported provides that the Employment Service shall be returned not later than 4 months from the date of the enactment of this appropriation bill. Of course, that leaves the date indefinite. If we may assume that the bill will be enacted on the first day of December, then on the first day of April-4 months thereafter-the Service would be returned to the States. My amendment would extend the period to June 30 through April, May, and June—a period 3 months longer. In view of the possibly chaotic conditions growing out of unemployment and the lag in the efficiency of the Service at a given time when it is returned to the States, it seems to me that 3 months more, by way of an extension of the period beyond which the United States Employment Service will not be extended, is a wise provision.

So I hope the Senate will agree to adopt the amendment and will let the extension go to the definite date of June 30, which is the end of the fiscal year, and at which time all appropriations terminate.

Mr. President, in this connection I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a brief résumé of the situation to which I have referred.

There being no objection, the résumé was ordered to be printed in the RECORD,

The proposal to return the USES to the States in the very near future seems to me to be extremely ill-considered. Instead of building a foundation for reconversion, we are tearing away one of the few stones that were in place, thanks to the foresight of President Roosevelt, who federalized the Employment Service at the outbreak of war, who provided the means of getting the mobilization job done on a completely voluntary basis, and who inspired the Employment Service to achievements which no other nation who fought in this war can match.

A declaration to return the USES to the States at this time is a declaration that the unemployment problem is not and will not be a serious one-that the 6,000,000 or more veterans who will be discharged in the next 6 months need no assistance in locating a suitable job. I cannot share any such feelings of optimism. The problems connected with the reconversion of human beings are much too grave to be dismissed so lightly. I firmly believe that the veteran and the displaced war worker will need the counsel and assistance of a trained staff of USES personnel who, through their loyalty and eagerness to do a public service, have done a magnificent job. It would be disastrous, in my estimation, to disrupt this service at this time on some vague hope that 48 States will be able to carry on with the same high standards of efficiency and endeavor as we have today under the federally operated USES.

The Senate recently went on record, despite the lack of clarity of the issues involved, as favoring a return of the USES to the States in the very near future. This ran directly counter to the specific request made by the President of the United States in his recent reconversion message to the Congress that the USES should remain under Federal operations until June 30, 1947, or earlier, if feasible. The President did not maintain that the USES should continue indefinitely to be operated as a Federal organization. He emphatically declared, on the other hand, that we were beginning a very critical period and that in order to be prepared for a worsening situation, the USES, which has always been operated federally during periods of crises, should remain federally operated until we ride out this one. This seems to me to be a perfectly reasonable request unless we are willing to take issue with the President's appraisal of the seriousness of the situation. I repeat that the problem of the veteran is not one of the future but rather is one with us today. The release of veterans last month and this month is far ahead of schedule and is likely to continue at a rate at least 50 percent higher than anticipated. Veterans are jamming the Employment Service offices all over the country. The staffs of these offices are being overwhelmed by the volume of requests for assistance in finding jobs and obtaining counseling. If we want to assure complete breakdown in these services and facilities we can do it in no better way than to return the Employment Service to the States under the terms of this compromise. The issue is so clear that the Congress will alone have to bear the discredit for the weakening at this time of the Employment Service, since President Truman has repeatedly asked that it remain under Federal operation until June 30, 1947. I hope the Senate will refuse to accept this compromise measure.

Mr. McKELLAR. Mr. President, as I recall, the amendment proposed by the Senator from Kentucky is exactly the the same-or, if not, substantially same-as one I offered in the committee. I offered such an amendment there, and it was voted down by a vote of 9 to 7. My amendment proposed that the date June 30 be adopted. I wish to call the attention of the Senate to the language of the amendment:

On the earliest practicable date in the case of each State, but in no case later than June 30, 1946-

If the amendment is agreed to-

the Secretary of Labor shall transfer to the State agency in each State designated under section 4 of the act of Congress approved June 6, 1933, as amended-

And so on. In other word, the question is. Shall there be that length of time within which the transfer shall be made to each one of the 48 States. In the committee it was argued, on the other side, that the Government took over the Service almost at once. I have forgotten the various statements which were made. Some were that it was 10 days, others that it was 2 days, others that it was 2 hours, and so on.

Mr. REED. Mr. President, if the Senator will permit me to interrupt, it was

taken over in 11 days.

Mr. McKELLAR. Very well, 11 days. Various statements were made as to exactly how long it took. Some persons said it was done immediately; others said it was done in 2 days; others said it was

done in 11 days, as I recall. Mr. President, there is a great deal of difference between having the Government take over the service and having the Government put it back in the hands of the various States. In the States various laws governing unemployment have been passed since the time when the service was taken over, so we have learned, and in the case of some States the resumption of operation of the service by the State will take longer than in the case of other States.

I wish to say that I am in favor of returning the service to the States. I disagree with my friend the Senator from Kentucky [Mr. BARKLEY]. I do not think the Federal Government should handle this matter. I think it should be handled by the States.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. McKELLAR. I yield.

Mr. BARKLEY. I did not say I think the Federal Government should handle this service. I said I think there should be a permanent agency of the Federal Government interested in employment. By that I do not mean that the States should be deprived of their jurisdiction, but I mean there should be a Federal agency interested in coordinating with the States in seeking employment for persons who are out of work.

Mr. McKELLAR. I am happy to have the Senator's explanation and to know that he does not mean that the United States Government should handle the actual affairs of this organization.

Mr. BARKLEY. I did not have in mind that the Federal Government should deprive the States of or should do

anything to discourage them in carrying on these functions; but, in my judgment, inasmuch as the problem is an over-all one and a national one, as we have recognized before, in enacting legislation to take care of it as such there should be an agency of the Federal Government to cooperate and coordinate with all the efforts in the States in securing the greatest possible opportunities for employment for the people of the country.

Mr. McKELLAR. That is a matter about which I am not so sure: but, of course, I understand the Senator, and I am glad he did not say what I thought

he said in the beginning.

I think the Service should be transferred to the States. I was never more certain about anything in my life. But I think there should be a reasonable time within which to do it in an orderly and a proper way. The Government is putting up half the money, and there is no reason in the world why the Government should not take its time in this matter. I see no reason for making June 30, 1946, the last day on which the organization could be returned to the States. The provision is that it shall be returned to the States as rapidly as possible. With that I am in hearty accord. But if some State were unable to take it over by May 1 and if we had previously declared that it should be taken over by that date, obviously we would have made an unwise provision.

Mr. BALL, Mr. President, will the

Senator yield?

Mr. McKELLAR. I yield.

Mr. BALL. I think the Senator will recall that the language of the amendment inserted by the Senate meets that contingency by specifically providing that where a State cannot make arrangements to take over this Service and to put the employees on the State pay roll they may be retained on the Federal pay roll and may be loaned by the Secretary of Labor to the States.

Mr. McKELLAR. Personally, I think that is a very unwise provision. loaning of Federal Government employees to a State or the loaning of employees by one department to another department of the Government has never met with my approval. I think there should be employees for each department; and in the case of the Employment Service, if a State has control of it, I think the State should pay for it. That is my own judgment.

Mr. BALL. Mr. President, will the Senator further yield to me?

Mr. McKELLAR. I yield.

Mr. BALL. That particular provision was recommended by the Secretary of Labor in order to meet the possibility that some States whose legislatures are not scheduled in the near future might. because of their laws, be unable to hire the Federal employees or might have difficulty in doing so. Actually, it is presumed that approximately 44 of the States will have no difficulty at all in transferring the Federal employees to the State pay rolls, in the case of employees hired by the Federal Government since it took over the system. But this provision was an emergency one, to meet the situation in the case of the few States which, until they can have a session of their legislatures, will have difficulty in placing on State pay rolls such employees who have been on the Federal pay roll.

Mr. McKELLAR. I doubt very much whether an emergency of that kind can be met beforehand. The bill specifically provides:

On the earliest possible date, in the case of each State

And so forth. The Service shall be returned. After providing that, it seems to me the question of the exact time does not make a very material difference. I am one of those who are intensely interested in having the Service returned to the States at the earliest possible moment.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. McKELLAR. I yield. Mr. BARKLEY. As I understand, under any language which may be contained in this bill, in no event can the Federal Government turn the Service back to all the States at the same time.

Mr. McKELLAR. Yes: I do not see

how that would be possible.

Mr. BARKLEY. It must be done separately, with each State depending upon the circumstances existing in that State.

Mr. McKELLAR. That is true. Mr. BARKLEY. The additional 3

months provided for in my amendment. however, would make it possible by the end of that time for the Federal Government to have more completely wound it up than might be possible by the date fixed in the bill.

Mr. McKELLAR. That is my judg-

ment about it.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me?

Mr. BALL. Mr. President-

The PRESIDING OFFICER. Does the Senator from Tennessee yield, and if so. to whom?

Mr. McKELLAR. I shall yield first to the Senator from Massachusetts, who first asked that I yield.

Mr. BALL. Mr. President, I should like to comment briefly on the point made by the Senator from Kentucky.

Mr. McKELLAR. Very well; I yield briefly to the Senator from Minnesota.

Mr. BALL. On the point the Senator from Kentucky has raised, let me say there is nothing in the bill to prevent the Secretary of Labor from waiting until he has negotiated agreements with the 48 States and then turning the Service over to all of them at once. As a matter of expediency, obviously that is what he is going to do. He does not want to have a system that is half State and half Federal.

Mr. McKELLAR. Oh. no.

Mr. BALL. That would not be an efficient system.

Mr. BARKLEY. Even under the language of the bill as the Senator has quoted it, if by the end of the 120-day period there are circumstances which make it impossible to return the Service to the State, that time is to be prolonged until some indefinite date.

Mr. BALL. No; the time is not to be prolonged. However, there is a loop-hole providing for the Secretary to loan employees to the States.

Mr. BARKLEY. In other words, the law would extend the fiction of State control, but as a matter of fact it would be done by employees of the Federal Government who had been loaned to the State in order to consummate the fiction.

Mr. BALL. It would not be a fiction.
Mr. SALTONSTALL. Mr. President, I should like to ask the acting chairman of the committee two questions which may lead to suggestions for an amendment. On page 18, starting in line 8, the language has to do with the retention of Federal employees. Beginning in line 12 we find in parentheses the following language: "under the salary scales applicable to such employees prior to the enactment of this act."

In other words, those employees would be paid at Federal rates while all other employees would be paid at State rates. It seems to me that that arrangement would lead to unnecessary complication.

Mr. McKellar. Mr. President, I believe that the language does not have the meaning which the Senator from Massachusetts has given to it. I think it is intended that those employees shall be paid at State rates. If there is anything wrong with the language and the Senator can improve it, I see no reason why it should not be done. The intention is that the employees shall be paid the rates provided by the State.

Mr. SALTONSTALL. The employees who are transferred to the State system will be paid at State rates, and the employees who are loaned by the Secretary of Labor under the second proviso will be paid at Federal rates until they are taken over by the State Government. Am I correct?

Mr. McKELLAR. No; I do not think the Senator is correct. He has not stated the committee's intention.

Mr. HAYDEN. Mr. President, there is no dispute at all between the State authorities and the United States Department of Labor, or the United States Employment Service, with relation to the question of employees. When the question first arose, and it was evident that there was a controversy of some nature, we asked the representatives of the State and Government employment services to confer with Mr. Murphy, of the legislative drafting service. The provision of the bill with reference to taking employees from the Federal pay roll and putting them on the State pay roll was in complete agreement with the State authorities and the representatives of the United States Employment Service.

The State authorities very frankly stated, "We are assuming a responsibility. We need employees who are familiar with the work. We need their help. So we will arrange to have them transferred as quickly and as expeditiously as we can"

I may say to the Senator that the language in the bill relating to the transfer of employees is in complete accord with the recommendations made by the representative of the States, and in complete accord with the desires of the United States Employment Service. There is no dispute at all about that part of the bill.

Mr. SALTONSTALL. I thank the Senator. May I ask another question? Mr. McKELLAR: Certainly.

Mr. SALTONSTALL. The Senator from Kentucky has suggested an amendment providing that the date of transfer shall not be later than June 30, 1946. I personally prefer the language of the bill providing for 120 days. I think that the employment offices will not function satisfactorily until they have been turned back in whole to the State governments.

I should like to ask the acting chairman of the committee about the last proviso on page 18, beginning in line 21 and ending in line 10, on page 19. The language states in substance that if the Secretary of Labor is not satisfied that the States are doing a good job, he may, himself, take over the service. As the bill reads, and as I understand it, the Secretary of Labor is to be the judge of whether the States are doing a good job. If he decides that they are not doing a good job he may take the service over completely. The language to which I refer is one of those pernicious "or else" clauses. "You do it the way I want it done or else I will take it over." It seems to me that the determination of the question should be left to the States. If they do not do a good job, and the people in the country are not being employed, the Congress will have to do something about it. But to incorporate in the bill these "or else" clauses by which we crack a whip over State governments is to lead to misunderstandings and unpleasant relationships, and it will not be conducive to efficient State service. I ask the acting chairman of the committee if he would object to an amendment that the language on page 18 in line 21, beginning with the words "Provided further", and continuing to the end of line 10 on page 19, be stricken out of the bill?

Mr. HAYDEN. Mr. President, again I may say that the provision to which the Senator from Massachusetts has referred is one to which the representatives of the States have agreed.

Mr. SALTONSTALL. Then, I have nothing more to say about it.

Mr. TAFT. Mr. President, I object very strenuously, even if they have agreed, because to say that we can take away the money if we find that the State is not doing something in accord with the purposes of the act is an absolute nullification of a State-aid program. If we want to specify particular defaults which justify taking over the services, I think that would be proper. But I think it is absolutely bad legislation, and destructive of the whole theory of a State-aid program, to incorporate in the bill the kind of a provision to which the Senator from Massachusetts has referred.

Mr. HAYDEN. Mr. President, when we asked those who represented the States and those who represented the United States Employment Service to reach an agreement, they agreed upon the language which is now contained in the bill.

Mr. BALL. I talked to some of the representatives, and they said they would like very much to have the proviso eliminated from the bill.

Mr. HAYDEN. They made an agreement with reference to the text about which we are now talking. That is all I know about it. Originally the appropriation was to be matched by the States. It is now to be a complete grant of Federal funds.

Mr. TAFT. I may say that if an agreement was reached, it was an agreement to do certain things within 120 days following the enactment of the act, instead of by June 30, 1946. If an agreement was entered into, a part of it may not be rejected and used in connection with some other provision of the bill.

with some other provision of the bill.

Mr. HAYDEN. With reference to the period of 120 days, I may say that the House fixed a period of 30 days, and the Senator from Kentucky now proposes to change it to the 30th of June 1946.

to change it to the 30th of June 1946.
Mr. REED. Mr. President, I do not wish to take the Senator from Tennessee [Mr. McKellar], who is in charge of the bill, off the floor, but I have taken part, as the Sanator from Tennessee and the Senator from Arizona [Mr. HAYDEN] both know, in the negotiations which took place between the State authorities and the committee. This is approxi-mately the situation: the present condition is wholly unsatisfactory. The two principal functions are to pay unemployment compensation, and to determine, in paying unemployment compensation-which is a most important consideration—whether or not the applicant for such compensation has been offered and has declined suitable employment. There is no person I know of who thinks that those two functions can successfully operate separately and under different authorities. There are some who believe that the Federal Government should take over the whole thing. I am not one of those; but they can make a good case in logic. There are those who think the service ought to go back to the States now. I agree with that, too, but the provision to which the Senator from Massachusetts refers was a part of some of the compromises which I am going to mention.

Mr. President, at the present time there is a state of indescribable confusion in the exercise of these two functions. First, who determines whether or not an applicant for unemployment compensation has been offered suitable employment? At the present time that is determined by the USES, while the payment of compensation for unemployment is made by the State authorities. Those two functions should be brought together at the very earliest possible date.

Over a period of some days I was fairly active in helping the State authorities to get what from their standpoint was the best bill possible. They objected, in the first instance, to granting the Secretary of Labor the authority to make the finding as to whether or not proper standards of unemployment services in a State were being maintained, but, if in the judgment of the Secretary of Labor, that is not being done, authority is given to him to go into a State and operate the Federal employment system in that State only until the State service can be put on a satisfactory and sound basis.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator from

Mr. HAYDEN. I merely wish to try to make it perfectly clear just what the bill proposes in that case. The proviso at the bottom of page 18 begins with these words:

Provided further, That if, after reasonable notice and opportunity for hearing (which may be a joint hearing with the Social Security Board under title III of the Social Security Act, as amended) to the State agency, the Secretary of Labor—

And so forth. In other words, the Secretary does not have power to go in and do it offhand. He must do it after reasonable notice and a hearing, if desired, which I think is important.

Then again, as the Senator very properly points out, the concluding phrase in this proposal reads:

Until the Secretary is satisfied that there will no longer be any such failure to comply.

It is not contemplated that the Federal Government shall take over the State service and keep it; it is merely a question of complying with the Wagner-Peyser Act, which Congress has passed. It would not be a permanent transfer.

It would not be a permanent transfer.

Mr. REED. Mr. President, we made an earnest effort to resolve, so far as we could, the differences of opinion between the State authorities and the Federal authorities. One trouble is that in the minds of the entire State officialdom there is a deep-seated belief that a considerable and influential part of the Federal administration wants to federalize the unemployment service and they believe that the longer action is delayed the less chance there will be for its return to the States.

Mr. President, I discussed with the State authorities this very proposal and I urge them to accept it. I told them that Secretary Schwellenbach had appeared before the Senate committee; that I was present when he testified, and that he said he would turn the service back to the States as rapidly as he could. He did not think that all the State services needed to be returned at the same time, and neither do I. I think if the Secretary of Labor carries out this program, he will begin to turn the services back to the States as rapidly as he can. So, partly upon my request, the State authorities accepted and agreed to the insertion of this clause to which the Senator from Massachusetts has referred.

Mr. President, I am taking the Secretary of Labor at his word. I am going to credit him with good faith until the opposite has been demonstrated. By the same token the Senate voted by 56 to 23 to adopt the well known Lucas amendment offered by the senior Senator from Illinois a month ago. That amendment provided that these agencies should be turned back in 90 days. The House has passed a bill to turn them back in 30 days.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. TAFT. I call particular attention to the fact that this subject was debated on the floor of the Senate. We considered it only 2 months ago. Its merits

were discussed both ways, and, as the Senator says, by a vote of 56 to 20 the Senate voted in favor of turning the Employment Service back to the States in 90 days. That was a definite vote of the Senate of the United States at that time that they would be returned to the States on the 1st of January, and that would have been done if the House had considered the bill and accepted it—the 1st of January, not the 1st of April, not the 1st of July.

So I want to call attention to the fact that this subject has been discussed. It has been discussed from every angle. We discussed the whole history of it, and it was well understood that the unemployment services were to be turned back to the States. So I want to reinforce the Senator's statement that the Senate has decided this question.

Mr. REED. I am one of those who are known as great compromisers. The Senator from Arizona and myself worked long in an effort to bring about a composition of the differences of view. I think these services could be turned back to the States at any time within 30 days, but in the interest of comity and harmony I agreed to the 120 days. I think I voted in the committee for a shorter period, but the committee adopted 120 days, and I hope that will not be disturbed.

I agree with the Senator from Arizona that, after all, what we do here today is going to be reviewed in conference with the House, and whether we write into this bill June 30, 1946, which we ought not to do, or whether we write into the bill 120 days, which we ought to do, or whether we write into it some other period, when the bill comes out of conference, in my opinion, it will be found that this agency will be turned back to the States in about 60 days.

Mr. SALTONSTALL. Mr. President, I should like to move to strike out the proviso beginning in line 21, page 18.

Mr. McKELLAR. Mr. President, there is another amendment now pending.

The PRESIDING OFFICER. The Senator from Tennessee is correct. There is an amendment now pending.

Mr. SALTONSTALL. Then I shall withhold the motion until the pending amendment is passed upon, but I hope that at the proper time the proviso in question may be eliminated from the bill.

In furtherance of what the Senator from Kansas has said, let me say here that we agreed to turn these unemployment agencies back to the States and then we hold over their heads this threat that they will be turned back again to the Federal Government if the job is not well done. That is an "or else" provision which is unfortunate and will make for poor service. In my opinion it is much better to turn the service over to the States, and then if they do not do a good job, let us legislate further.

In due course, I shall offer such an amendment.

Mr. McKELLAR. Mr. President, I ask for the yeas and nays. Let us vote on the pending amendment.

The yeas and nays were ordered.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The

Mr. WHITE. What is the amendment upon which we are about to vote?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Kentucky [Mr. Barkley] to change the date to June 30, 1946. A vote "yea" will be in favor of the amendment and a vote "nay" will be against it.

Mr. BALL. Mr. President, we fought this issue out in the Committee on Appropriations. Some of us tried to make the provision 90 days, and we finally compromised on 120 days. The Senator from Tennessee offered the motion to make the date June 30, and I think it received only a couple of votes in the committee.

Mr. McKELLAR. Oh, no; the vote was 9 to 7 in the committee.

Mr. BALL. For June 30?

Mr. McKELLAR. Yes; and I gave notice at the time it was defeated that I would offer it on the floor of the Senate.

Mr. BALL. My recollection was that the vote was stronger than that, but the Senator undoubtedly knows the record.

However, the Senate committee went to a great deal of trouble to meet several objections to the House provision, which would have required turning over the State employment offices within 30 days. There was the problem involved in transferring employees, many of whom had no State status. There was also the problem of whether we were going to appropriate the funds to the Secretary of Labor, who now has the Employment Service under him, or to the Social Security Board, which originally was the Federal agency handling the matter, when the Federal Government took over the State offices

I think we have worked those questions out very well in the Senate comamendment. The Barkley mittee amendment provides for the transfer on June 30; and I think there has been abundant evidence that if we set the date June 30 that will be the date when there will be a transfer, if it ever happens, not before. The whole administration is opposed to transferring these offices back to the States until June 30, 1947, and I think that if we give the agency the authority to hold them until June 30, 1946. they certainly will keep them under Federal control. In that case, the whole Senate amendment will become mean-We might as well simply strike ingless. out the House provision and let the appropriation stay exactly as it is, because we will not be doing anything.

Mr. President, I hope the amendment offered by the Senator from Kentucky will be rejected.

Mr. TAFT. Mr. President, I should like to have inserted in the RECORD at this point the vote which was taken on Wednesday, September 19, last.

There being no objection, the vote was ordered to be printed in the RECORD, as follows:

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The question is on agreeing to the amendment proposed by the Senator from Illinois [Mr. Lucas], adding at the end of

the committee amendment, as amended, a new section.

Mr. TAFT. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. George (when his name was called). On this vote I have a pair with the senior Senator from Maryland [Mr. Typings]. I, therefore, withhold my vote.

The roll call was concluded.

Mr. Brewster (after having voted in the affirmative). There was a possible understinding about a pair, and in order to avoid any possibility of misunderstanding I will consider myself paired with the Senator from Louisiana [Mr. ELLENDER], and so I withdraw my vote.

Mr. HILL. The Senator from Virginia |Mr. GLASS | and the Senator from Mississippi [Mr. EASTLAND] are absent because of illness.

The Senator from Alabama | Mr. BANK-HEAD |, the Senator from South Carolina | Mr. MAYBANK |, the Senator from Wyoming IMr. O'MAHONEY, and the Senator from Maryland [Mr. Typings] are absent on public

The Senator from Texas [Mr. Connally] and the Senator from Louisiana [Mr. Over TON | are detained from the Senate on official business.

The Senator from Florida [Mr. PEPPER] is absent on official business.

Mr. WHERRY. The Senator from South Dakota [Mr. Bushfield] and the Senator from Idaho [Mr. Thomas] are absent because of illness. If present, both of these Senators would vote "yea." The Senator from West Virginia [Mr.

REVERCOMB | is necessarily absent.

The Senator from Delaware [Mr. Buck] is necessarily absent. If present, he would vote "yea."

The result was announced-yeas 56, nays 23, as follows:

Yeas-56: Aiken, Andrews, Austin, Bailey, Ball, Bilbo, Bridges, Briggs, Brooks, Butler, Byrd, Capehart, Capper, Carville, Chandler, Cordon, Donnell, Ferguson, Fulbright, Gerry, Gurney, Hart, Hawkes, Hickenlooper, Hoey, Johnston of South Carolina, Knowland, La Follette, Langer, Lucas, McCarran, McClelian, McKellar, Millikin, Moore, Morse, O'Daniel, Rer Robertson, Saltonstall, Shipstead, Smith, Stewart, Taft, Thomas of Oklahoma, Thomas of Utah, Tobey, Vandenberg, Walsh, Wheeler, Wherry, White, Wiley, Willis, Wilson,

Nays—23: Barkley, Chavez, Downey, Green, Guffey, Hatch, Hayden, Hill, Johnson of Colorado, Kilgore, McFarland, McMahon, Magnuson, Mead, Mitchell, Murdock, Murray, Myers, Radcliffe, Russell, Taylor, Tunnell,

Not voting-17: Bankhead, Brewster, Buck, Burton, Bushfield, Connally, Eastland, Ellender, George, Glass, Maybank, O'Mahoney, Overton, Pepper, Revercomb, Thomas of Idaho, Tydings

So the modified amendment of Mr. Lucas to the committee amendment, as amended, was agreed to.

Mr. TAFT. Mr. President, the whole history of this matter was written when we had this subject before us 2 months ago. The employment offices were taken over temporarily by the President without congressional authority. The only purpose I can see in extending the date to June 30, 1946, is to permit a longer time until Congress can consider a proposal to make the activity permanently a Federal one. That is the only significance in this date. We have before us an appropriation bill for 1946. If we do not turn the offices back until the 1st of July 1946, they may not be turned back at all, and we will have the whole question to consider again in the appropriation bill for the fiscal year 1947. The only purpose of extending the date is not to get more time, it is to maintain a status quo during which the effort may be made to make these offices permanently a part of the Federal Government. That is the only significance of this particular date.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McKELLAR. I could not let the Senator make that statement without challenge, in view of the fact that there is no man in the Senate who is more in favor of the States managing and controlling social-security payments than I am. I am not in favor, and I do not expect to be in favor, and so far as I know no Senator on this side of the aisle is in favor, of keeping this activity in the Federal Government permanently. I assure the Senator that he is mistaken about the matter, and that, so far as I am concerned, I shall use every endeavor to have the Service returned to the States.

Mr. TAFT. I did not say anything about the Senator. After all, the Senator did not offer the amendment.

Mr. McKELLAR. I offered it in the committee, and I am merely stating the

Mr. TAFT. It is perfectly clear that the same question will come up in connection with the appropriation bill for 1947 sometime along in March or April next year, as to whether we will appropriate in the year 1947 for the USES or for the State employment offices. So, if we adopt this amendment making the date June 30, we leave the whole subject open for reconsideration further by the Congress. It will come up on the next appropriation bill. It seems to me we should settle the issue, if that is what we want to do, and the way to do it is to fix the date at some time short of June 30.

Mr. McKELLAR. Will the Senator further yield?

Mr. TAFT. I yield.

Mr. McKELLAR. The same thing would happen if it were made 120 days, or 90 days, or 30 days, for that matter. Congress can restore the activity to the control of the Federal Government; but I do not believe a corporal's guard in the Senate would vote to do that.

Mr. TAFT. I hope the Senator is correct, but the effect of maintaining the status quo is to assist the fight when the question comes up next April. If the offices are once turned back before the next appropriation bill is considered, I do not believe the subject will be practically before the Congress, so far as any controversy is concerned.

Mr. President, I feel very strongly that we should stand by the decision we made. If we are in favor of turning the services back, they can be turned back just as well by the 1st of April as by the 1st of We have settled the question. we make the date the 1st of July, the question will still be open.

The PRESIDING OFFICER. question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

Mr. McKELLAR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ball	Hayden	Revercomb
Barkley	Hill	Robertson
Bilbe	Hoev	Saltonstall
Brewster	Huffman	Shipstead
Buck	Johnston, S. C.	Smith
Bushfield	Knowland	Stewart
Butler	La Follette	Taft
Capper	Lucas	Taylor
Carville	McCarran	Thomas, Okla.
Chavez	McClellan	Tobey
Connally	McFarland	Tunnell
Cordon	McKellar	Tydings
Donnell	Maybank	Wagner
Downey	Mead	Walsh
Eastland	Mitchell	Wheeler
Ellender	Moore	Wherry
Ferguson	Morse	White
Fulbright	Murdock	Wiley
George	Myers	Willis
Gerry	O'Daniel	Wilson
Green	O'Mahoney	Young
Gurney	Radcliffe -	1 U.S
Hatch	Reed	

The PRESIDING OFFICER. Sixtyseven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Kentucky [Mr. BARKLEY] on page 19, line 12, after the word "than", to strike out the words "the one hundred and twentieth day after the date of enactment of this , and insert in lieu thereof "June act' 30, 1946."

On this question the years and nays have been ordered, and the clerk will call the roll.

Mr. BALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BALL. A vote "yea" is a vote for the Barkley amendment to set the date for June 30, 1946, and a vote "nay" is a vote to retain the committee provision of 120 days?

The PRESIDING OFFICER. That is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. BUTLER (after having voted in the negative). I have a general pair with the senior Senator from Alabama [Mr. Bankhead]. I transfer that pair to the junior Senator from Illinois [Mr. BROOKS] and allow my vote to stand, as I understand he would vote as I have voted.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILgorel are absent from the Senate because of illness.

The Senator from Florida [Mr. An-DREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Missouri [Mr. BRIGGS], the Senator from Louisiana [Mr. Overton], and the Senator from Utah [Mr. Thomas] are necessarily absent.

The Senator from Florida [Mr. PEP-PER] is absent on official business.

The Senator from Pennsylvania [Mr. GUFFEY] is detained on official business at one of the Government departments.

The Senator from Washington [Mr. Magnuson] is a delegate to the American Legion convention in Chicago, and is therefore necessarily absent.

The Senator from Montana [Mr. Mur-RAY] is attending the conference in London to consider the creation of an educational and cultural organization of the United Nations.

The Senator from Virginia [Mr. Byrd], the Senator from Colorado [Mr. Johnson], the Senator from Connecticut [Mr. McMahon], and the Senator from Georgia [Mr. Russell] are absent on official business with the Special Committee on Atomic Energy.

mittee on Atomic Energy.

Mr. WHERRY. The Senator from
Vermont [Mr. AIKEN] is excused, the excuse for his absence having heretofore

been stated.

The Senator from Vermont [Mr. Austin], the Senator from Connecticut [Mr. Hart], the Senator from Iowa [Mr. Hickenlooper], the Senator from Colorado [Mr. Millikin], and the Senator from Michigan [Mr. Vandenberg] have been excused. They are members of the Atomic Energy Committee, which is on an inspection trip to Oak Ridge, Tenn.

The Senator from Illinois [Mr. Brooks] and the Senator from North Dakota [Mr. Langer] are members of the Senate committee attending the funeral of the late Senator Thomas of Idaho.

The Senator from New Hampshire [Mr. Bridges] and the Senator from New Jersey [Mr. Hawkes] are necessarily absent

The Senator from Indiana [Mr. Cape-Hart] is unavoidably absent because of injuries resulting from an accident. If present he would vote "nay."

The Senator from New Hampshire [Mr. Bridges] has a general pair with the Senator from Utah [Mr. Thomas].

If present he would vote "nay."

The Senator from Vermont [Mr. Austin], the Senator from Illinois [Mr. Brooks], the Senator from New Jersey [Mr. Hawkes], and the Senator from Iowa [Mr. Hickenlooper] would vote "nay" if present.

The result was announced—yeas 31, nays 35, as follows:

YEAS-31

	10-01	
Barkley	Huffman	O'Mahoney
Chavez	Johnston, S. C.	Revercomb
Connally	McCarran	Stewart
Downey	McClellan	Taylor
Eastland	McFarland	Tunnell.
Ellender	McKellar	Tydings
Fulbright	Maybank	Wagner
George	Mead	Walsh
Green	Mitchell	Young
Hatch	Murdock	FERRITA
Hill	Myers	

NAVS-35

	NAYS-35	N. A.
Balt	Gurney	Shipstead
Bilbo	Hoey	Smith
Brewster	Knowland	Taft
Buck	La Follette	Thomas, Okla
Bushfield	Lucas	Tobey
Butler	Moore	Wheeler
Capper	Morse	Wherry
Carville	O'Daniel	White
Cordon	Radcliffe	Wiley
Ocnnell	Reed	Willis
erguson	Robertson	Wilson
Gerry	Saltonstall	

NOT VOTING 2

	NOT VOTING-	-28
Aiken Andrews Austin Bailey Bankhead Bridges Briggs Brocks	Glass Guffey Hart Hawkes Hayden Hickenlooper Johnson, Colo. Kilgore	Magnuson Millikin Murray Overton Pepper Russell Thomas, Uta Vandenberg
Byrd Carehart	Langer McMahon	

So Mr. Barkley's amendment to the committee amendment was rejected.

Mr. REED. I move that the vote by which the Barkley amendment was rejected be reconsidered.

Mr. WHERRY. I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. SALTONSTALL. Mr. President, I now offer the amendment which I previously suggested, to strike out, on page 18, the proviso beginning in line 21, and continuing through line 10, on page 19. I do so for the reasons which I have already stated. This is one of those "or else" clauses, by which the Secretary of Labor would hold a threat of withholding grants or of taking the services from the States and placing them under the Federal Government if the States did not conduct their services properly.

Without going into further detail, I hope that the amendment may be adopted. If the States do not do a good job, Congress should act and take the services away from the States. But while the States are trying to carry on, they should not have a whip held over their heads so that if they do not administer the services in this way or that way they will be taken away from them and put back in the Federal Government. I do not believe that such a provision would make for good legislation or good administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. Saltonstall] to the committee amendment on page 18, beginning on line 21.

Mr. HAYDEN. Mr. President, if I thought the statement made by the Senator from Massachusetts was correct I would not object; but that is not the case. The provision we are now discussing was agreed to by the representatives of the States. As the Senator from Kansas has pointed out, it is merely a temporary matter. Only when there was difficulty of any kind could the Secretary of Labor take back the service, until he was satisfied that there would no longer be failure to comply.

How is the money to carry on this activity obtained? A tax is levied on employers throughout the United States. Money is being taken from employers throughout the United States for an unemployment-compensation tax. There has been accumulated in the Treasury approximately \$600,000,000 over and above what the employers have paid into the system. For that reason we are abandoning the old arrangement, under which the States matched the Federal contribution, and will pay for the activity entirely out of the Federal Treasury.

This is a beautiful illustration of the modern conception of States' rights. The Federal Government levies the tax. Every employer knows that it is a tax levied by the Congress which he must pay, and he knows that he pays it to the collector of internal revenue. So we do all the dirty work of raising the money. Then the States have the right to "come and get it"; and, according to

the Senator from Massachusetts, after they come and get it, we are to have nothing to say about how they carry on. Having levied and collected the tax, and having appropriated the money and turned it over to the States, we should then make no further inquiry, and raise no question at any time as to whether the States are properly administering the activity. This provision does not say that any morning the Secretary of Labor arises from the wrong side of his bed, he may arbitrarily take back the Employment Service. When we look at the provision in the bill, we find that it says very clearly that it is to be taken back upon a complaint, upon notice, and after a hearing in which the Social Security Board can participate. That is a very different procedure as compared to having the Secretary simply take it back. Then, if he does take it back, he can hold it only long enough to satisfy himself that the States are conducting the kind of employment service for which the Federal Government is paying out every cent.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. I understood the Senator to say that this was only

a temporary provision.

Mr. HAYDEN. No, Mr. President, the Senator misunderstood me. I said it was a provision whereby the Federal Government could operate a State employment service temporarily, until the matter could be straightened out so that the State would again operate a satisfactory service. As we see by the very language of the act, it is not contemplated that the Federal Government shall take it back and keep it forever.

Mr. SALTONSTALL. But the decision is with the Secretary of Labor who is the one who must be satisfied. He calls the State service before him; and, after a hearing, he having been dissatisfied in the first place, he says, "No; that service is not being properly run, so I will take

it over."

If it is a temporary matter, as the Senator says, it means that perhaps to-day the service will be operated by the Federal Government, tomorrow it will be operated by the State government, and the next day it will be operated again by the Federal Government—of course, after due hearings.

Mr. HAYDEN. Does the Senator believe that the Congress having levied the taxes, having raised the money, and having appropriated the money, should wash its hands of the matter, and say, "We do not care whether the service is good or bad; it is none of our concern. We cannot do anything about it. Take the money and do what you please with it."

Mr. SALTONSTALL. Mr. President, will the Senator further yield to me?

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. I respectfully call to the Senator's attention the fact that there is pending on the calendar today a bill with relation to hospitals, and under that bill money would be turned over to the States, without further supervision, as I understand, by

the Federal Government. Furthermore. there is in the committee a bill providing for education, and the money is to be turned over to the States without further supervision by the Federal Govern-

Mr. HAYDEN. In all my experience in the Congress, I know of no legislation by which we have appropriated money to a State, to aid the State in carrying on an activity, when no standard was set up whereby there would be some supervision by the Federal Government to see that the money raised by the taxpayers and appropriated by the Congress was expended in some way to conform with the law under which the State received the money.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. HAYDEN. I yield. Mr. TAFF. Let me point out that there is already such a provision in the Social Security Act. Let me read the provision of the act relating to unemployment compensation. It is section

Whenever the Board, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the law there is (1) a denial in a substantial number of cases of unemployment compensation to individuals entitled thereto under such law or (2) a failure to comply substantially with any provision specified in subsection (a)-

Those are the specific things provided in subsection (a)-

the Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that there is no longer any such denial or failure to comply. Until it is so satisfied, it shall make no further certification to the Secretary of the Treasury with respect to such

That law is now on the statute books. The only thing the committee amendment does is, in the first place, to broaden the power to withhold money. I do not see why we should adopt that language now, because the Social Security Act is substantive law, and we should not change it in an appropriation bill.

Mr. HAYDEN. The Senator is referring to failure on the part of the State to carry out the provisions of the Unemployment Compensation Act. This matter relates to the United States Employment Service, an entirely different sub-

ject matter.

Mr. TAFT. Oh, no. After the Employment Service is turned back to the States, it will be operated under title III of the Social Security Act. In this bill we are making grants to the States for unemployment compensation, as provided for in title III of the Social Security Act, and every cent that is turned over to the States shall be subject to that provision of title III.

Really, there is no need for any of these provisions about noncompliance and about hearings, because the matter is already cared for by the present law. The bill says that in such case the Secretary of Labor may maintain a statewide system of unemployment offices. I take it that is the purpose of the committee amendment. I do not think it

should be included in a 1-year bill. If the Social Security Act is to be changed, it should not be changed by this bill.

As a matter of fact, the Employment Service will be turned back to the States around the first of April, under the present provision. In 3 months-that is as long as this provision will applythere will not be any chance to determine whether there is or is not default. It seems to me this provision is intended to give the Secretary of Labor a loophole by which to avoid turning the employment offices back to the States if he does not wish to do so. I cannot see that the provision has any other purpose. Otherwise, the matter should be left for a revision of the Social Security Act, which is now before the Congress and is being taken up by the Ways and Means Committee of the House of Representatives. We should not here try to determine the purpose of that act. Although I may be wrong in my suspicion, it seems to me that the only effect will be to give the Secretary of Labor a loophole by which to avoid compliance with the requirement to return the services to the States, and it would permit him to hang on to the employment services for a long period of time, because I take it that would be the effect of the provision relative to 1 year.

Mr. HAYDEN. Mr. President, I think the Senator is wholly mistaken as to the attitude of the Secretary of Labor. The Secretary of Labor understands that the Senate already has voted to return the Employment Service to the States, and he understands that the House has made a similar decision, and that the Service is going to be returned to the States. Of course, the Secretary of Labor stated in the hearing that he was opposed to that proposition; but all he was concerned with when he appeared before the committee was to have incorporated in the bill a provision to transfer the Service back to the States in an orderly manner. In order to have that done, he asked the State representatives and the representatives of the United States Employment Service to get together and work out a program, and the provision in the bill is what they worked out.

This provision was agreed to by representatives of the States; and if those who are officially representing the State employment services agree about this matter, I do not see why the Senator has to worry about it.

Mr. TAFT. The Senator from Arizona does not necessarily follow the views or opinions of the representatives of the State employment services, and neither do I. I think we have to decide these questions for ourselves.

I wish only to point out that in a carefully considered Social Security Act we already have laid down the conditions in accordance with which money may be withheld from the States. We certainly have not turned back these services to the States as yet, and we shall not do so until the 1st of April. I see no reason why we cannot consider this question as to the exact terms of punishment, if you please—the taking over by the Federal Government-at the time when we consider amendments to the Social Security

I think the amendment of the Senator from Massachusetts should be adopted. I think we should definitely stick to the Social Security Act and its provisions, and we should not try to attach legislation to an appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL].

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, under the subhead "War Department," on page 20, line 12, after the word "departments" to strike out "\$57,854,572" and insert \$51,594,572."

The amendment was agreed to.

The next amendment was, on page 20, line 13, after "In all, title I", to strike out "\$2,956,807,646" and insert "\$2,940,-828,227."

The amendment was agreed to.

The next amendment was, under the subhead "Federal Works Agency," on page 21, line 4, after the words "Access roads", to strike out "\$3,076,845" and insert "\$2,576,845."

The amendment was agreed to.

The next amendment was, under the subhead "Executive Office of the President," after line 12, to strike out:

Alien Property Custodian, \$500,000.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Military Establishment," on page 23, line 25, after the numerals "1942-1946", to strike out "\$12,-829,151" and insert "\$10,829,151."

The amendment was agreed to.

The next amendment was, on page 24, line 14, after the numerals "1942-1946" to strike out "\$3,944,994,479" and insert "\$3,899,682,479"; in line 17, after the word "men", to strike out "\$10,000,-000" and insert "\$5,000,000"; in line 19, after the word "Army", to strike out "\$561,018,000" and insert "\$521,018,000"; and in line 21, after the word "animals", to strike out "\$1,670,000" and insert "\$1,-358,000."

The amendment was agreed to.

The next amendment was, on page 25, line 2, after the numerals "1942-1946" to strike out "\$1,679,434,000" and insert "\$1,671,934,000."

The amendment was agreed to.

The next amendment was, on page 25, line 5, after the numerals "1942-1946" to strike out "\$12,166,313,000" and insert "\$11,313,313,000: Provided, That before any permanent fields are determined upon or permanent buildings erected thereon the Air Corps shall submit to Congress a list of such fields and the justification therefor."

The amendment was agreed to.

The next amendment was, on page 25, line 12, after the numerals "1942-1946", to strike out "\$268,039,000" and insert "\$267,539,000."

The amendment was agreed to.

The next amendment was, on page 25, line 14, after the numerals "1942-1946", to strike out "\$2,349,523,571" and insert "\$2,306,763,000"; and in line 17, after the words "Engineer Service", to strike out "\$2,054,408,571" and insert "\$2,011,648,000."

The amendment was agreed to.

The next amendment was, on page 25, line 22, after the numerals "1942-1946", to strike out "\$8,300,000,000" and insert "\$8,100,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Transfer of appropriations," on page 27, after line 7, to insert:

Army of the Philippines, \$200,000,000: Provided, That service in the organized military forces of the government of the Com-monwealth of the Philippines, while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, shall not be deemed to be or to have been service in the military or naval forces of the United States or any component thereof for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the military or naval forces of the United States or any component thereof, except benefits under (1) the National Service Life Insurance Act of 1940, as amended, under contracts heretofore entered into, and (2) laws administered by the Veterans' Administration providing for the payment of pensions on account of serviceconnected disability or death: Provided further, That such pensions shall be paid at the rate of one Philippine peso for each dollar authorized to be paid under the laws providfor such pensions: Provided That any payments heretofore made under any such law to or with respect to any member of the military forces of the government of the Commonwealth of the Philippines who served in the service of the armed forces of the United States shall not be deemed to be invalid by reason of the circumstances that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of such law.

The amendment was agreed to.

The next amendment was agreed to.

The next amendment was, under the subhead "General provision," page 28, line 24, after "In all, title II", to strike out "\$30,903,090,564" and insert "\$29,-752,017,993."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Naval Establishment," on page 29, line 6, after the numerals "1946", to strike out "\$13,000,000" and insert "\$10,800,000."

The amendment was agreed to.

The next amendment was, on page 31, line 11, after the numerals "1946", to strike out "\$9,000,000" and insert strike out "\$6,000,000." and insert

The amendment was agreed to.

The next amendment was, on page 32, line 4, after the numerals "1946", to strike out "\$50,000,000" and insert \$38;262,000,"

The amendment was agreed to.

The next amendment was, on page 33, line 7, after the numerals "1946", to strike out "\$2,600,000,000" and insert "\$2,550,451,000."

The amendment was agreed to.

The next amendment was, on page 33, line 10, after the numerals "1944", to strike out "\$128,214,285" and insert "\$69,247,269."

The amendment was agreed to.

The next amendment was, on page 34, line 2, after the numerals "1946"; to strike out "\$15,000,000" and insert "\$5,000,000."

The amendment was agreed to.

The next amendment was, on page 34, line 6, after the words "sum of", to strike out "\$1,229,880,000" and insert "\$1,283,-510,540: Provided, That the rescission of \$400,000,000 of the appropriation shall not act to reduce further the contract authority."

Mr. McKELLAR. Mr. President, the from Massachusetts [Mr. WALSHI and the Senator from Texas [Mr. CONNALLY] wish to be heard on this amendment

Mr. WALSH. Mr. President, the Navy Department is quite disturbed over some of the reductions which have been made in the pending bill. I have been in communication with the acting chairman of the Appropriations Committee with reference to the reductions. So far as the Navy is concerned, its position can best be stated by reference to a letter which I have received from Admiral Horne. send the letter to the desk and ask that it be read.

The PRESIDING OFFICER (Mr. Mur-DOCK in the chair). Without objection, the letter will be read.

The Chief Clerk read as follows:

NAVY DEPARTMENT, OFFICE OF THE CHIEF OF NAVAL OPERATIONS, Washington, November 15, 1945. Hon. DAVID I. WALSH.

United States Senate. My DEAR SENATOR WALSH: The original estimate for the cost of providing adequate laying-up facilities for ships of the reserve and inactive fleets was \$116,000,000.

As a result of the cuts made by the Bureau of the Budget, this amount had to be reduced to \$88,768,750.

As a result of the further rescission made by the House of \$45,000,000 for the public-works bill, the amount for this project had to be again reduced to \$56,915,584.

Contract work already obligated for this project amounts to approximately \$24,000,-000, and the total estimated cost of absolutely essential work to provide the very minimum of required facilities is approximately \$75,000,000. It can be seen from these facts that the amount of approximately \$57,-000,000 left after the House rescission will mean a curtailment of some of the absolutely essential work.

I have just been advised, and confirming my telephone conversation with you, that the Senate Appropriations Committee has further reduced this appropriation by \$53,630,-540, with the specific recommendation that this total amount should be applied against the projects for laying up of snips and permanent construction of hospitals.

There was only approximately \$21,000,000 left in the House bill for hospitals. Even if this amount were eliminated in toto (which is, of course, not possible), we would still have to reduce the project for laying-up facilities by approximately \$32,000,000 more, which would provide then a total amount for this project of only approximately \$25,-000,000. As noted above, we have already obligated \$24,000,000, which practically exhausts all of the available funds if the Senate rescission is finally made, which means that none of the additional and absolutely essential items under this program can be undertaken.

In the preparation of the plan for laying up of the reserve and inactive fleets, the Department arranged for the irreducible minimum of facilities. It is easy to see that unless there are adequate berthing facilities for tying up the ships, the ships must be anchored in the open roadstead. Such ships, if anchored offshore, must either be kept in a reduced commission and manned by servand ice personnel or civilian caretakers preservation gangs employed, resulting in a wasteful utilization of labor as well as greatly increasing the chances of an expensive Work under such conditions will naturally be less carefully supervised, and the deterioration that can be prevented with shore connections and shore facilities may soon exceed the saving in not providing ade-quate facilities with the easy access and efficient handling that the berthing provided by the plan offers.

A secondary point is that the speed of laying up the vessels will be greatly retarded if the vessels cannot be berthed ashore and the shore facilities available to assist in the laying up of vessels. This will inevitably tend to retard the release of the officers and enlisted men who are not destined to re-

main with the postwar Navy.

It is therefore strongly urged that every effort be made to have at least the amount cut back by the Senate Appropriations Committee put back in the bill and, for the reasons outlined above, if it is possible, to have at least a part of the rescission by the House committee reinserted when this bill comes up for conference.

Sincerely yours,

F. J. HORNE, Admiral, United States Navy.

Mr. WALSH. Mr. President, briefly summarized, the letter complains against the cut in the naval hospital service item. It says:

It would eliminate the construction of 915 permanent hospital beds required for postwar needs. In addition to deleting the construction of these hospital beds it also involves the elimination of numerous other required for the rehabilitation and security of patients and the efficient operation of some 20 naval hospitals.

The reduction would also greatly affect the efforts of the Navy Department to establish bases or anchorages for a reserve fleet. It is well known that a large number of vessels must be placed in anchorage basins or tied up at docks. Proper facilities are not available, but have been provided for by appropriations, and in fact, some contracts have already been made.

Mr. MAYBANK. Mr. President-The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from South Carolina?

Mr. WALSH. I yield. Mr. MAYBANK. I should like to ask the Senator whether he has an intention of offering an amendment. I listened to the last part of the letter very carefully—and I had already read the letter, as the Senator knows-and apparently it merely asks that the conferees abide by the House provision.

Mr. WALSH. I think all we need do is vote down the Senate committee amendment, which will restore the House provision.

Mr. MAYBANK. I thank the Senator. I am in thorough accord with him. I think we have gone a little too far in the cuts in the Navy appropriations, particularly in the two main items he has mentioned, namely, in facilities for laying up 1945

ships, the lack of which in the end will result in greater cost, and in the appropriation for hospital beds.

Mr. WALSH. Mr. President, I quote from the letter which I have had read:

If this rescission of approximately \$32,000,-000 stands. I am satisfied that within a very few years the cost to the Government will be as great as the proposed saving due to the extra cost to handle about one-third of the vessels in improper berths or anchored in the stream far from the services and with the least efficient utilization of labor.

Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. WALSH. I yield. Mr. MAYBANK. I might suggest to the Senator, and I think he will agree with me, that one of the troubles after the last war was that naval vessels were left lying idle, and finally were put on the junk heap. I think it is a question of conserving money in the last analysis, and it would be well not to have a repetion of what happened in 1920.

Mr. WALSH. The Senator has made an accurate observation as to what happened in 1920, after the last war.

From what I have learned from various members of the Committee on Appropriations, they themselves feel that the cut has been too severe. I hope the Senator in charge of the bill will agree that the Senate committee amendment may be rejected and the House provi-

sion may stand.

Mr. McKELLAR. Mr. President, I cannot do that, for the reason that the amendment was offered by the Senator from Louisiana [Mr. Overton], who is chairman of the Naval Subcommittee of the Committee on Appropriations. He seemed to think this appropriation was wholly unnecessary, and that it should be cut. He is not present today, because of illness, and I do not feel that I can make an agreement for him. It will have to go to a vote. Can it not be brought to the attention of the Senate again? Why not let the amendment be agreed to? It cannot result in harm being done.

Mr. WALSH. It would be unfortunate if on a vote the Senate Committee amendment were agreed to, because that would somewhat tie the hands of the conferees. If the Senate conferees would agree to review and restudy these cuts in the light of the information that has been presented, that would be satis-

factory.

Mr. McKELLAR: I shall be glad to have the Senator come before the conferees and make any argument he wishes to urge about the matter, if he will let the amendment go to conference.

Mr. WALSH. If I let it go to a vote,

and we should not succeed in rejecting it, our hands would be tied.

Mr. McKELLAR. Yes. I think it

would be better to let it go to conference. Mr. WALSH. On the assurance of the acting chairman of the commmitteeand I know of his sympathy with what I am saying-I am disposed to let the amendment be approved, with the understanding that there will be a review and restudy of the whole situation.

Mr. CONNALLY. Mr. President, is the Senator referring to the amendment on page 34, line 7?

Mr. McKELLAR. That is the amendment.

Mr. CONNALLY. The appropriation is a lump sum. It is difficult to tell just what the allocation of the sums will be.

Mr. WALSH. The items in question affect hospitals and berthing facilities for ships which are placed in reserve.

Mr. CONNALLY. That is all true.

Mr. McKELLAR. I may say to the Senator from Texas that if he will let the amendment be agreed to we shall be glad to have him join the Senator from Massachusetts and the Senator from South Carolina and come before the conferees. That is the best course I can suggest

Mr. WALSH. The Senator from Texas is one of many Senators who have spoken to me about the subject and who feel very strongly about this cut being extreme. I think the acting chairman of the committee himself has some doubt about it.

Mr. MAYBANK. Mr. President, will the Senator yield again?

Mr. WALSH. I yield.

Mr. MAYBANK. I appreciate the Senator from Tennessee saying he would be glad to have me join other Senators appearing before the conferees. When this matter came up last week it was necessary for me to be in South Carolina in connection with the visit to that State of the Secretary of State, who delivered a most important address in a great homecoming welcome.

Mr. CONNALLY. Mr. President, I thank the Senator from Tennessee for inviting us to come before the conference committee. I do not see that I would have much better luck before the ·conference than I had before the Committee on Appropriations. They heard us with one ear open, and their heart

valves all closed.

Mr. President, I wish to address myself to the item discussed by the Senator from Massachusetts. I should much prefer that the Committee on Appropriations made clearer, in all the appropriation bills, what money is to be spent They merely provide it in a great wad, so to speak, and turn it over to a department to allocate as it sees fit. think the practice in many State legislatures is superior to that system.

What I am particularly interested in is the item for hospitals. It was provided by authorizations in existing law that the Navy could build certain hospitals. They had appropriations with which to build them. They were preparing their plans and getting ready to erect them, when the Committee on Appropriations comes along with a big pair of shears and clips off the appropriation, and then seeks to legislate by inserting a clause that no hospital shall be built within a certain time.

The result is that a hospital projected to be built by the Navy at Austin, Tex., is eliminated. Another hospital proposed to be built by the Navy, and for which plans have already been made, a hospital at Marlin, Tex., the county seat town where I reside, was eliminated en-tirely, although the Navy has already spent a good deal of money drawing the plans and getting ready to proceed with the building of the hospital.

I wish to quote the testimony of Admiral McIntire, Surgeon General of the Navy, before the House committee. I thought he knew something about hospitals, but he has not been through the mill as some of us have. I am about to read from a General Statement for Public Works program, fiscal year 1946, Bureau of Medicine and Surgery, by Vice Admiral Ross T McIntire.

Mr. President, we all believe in economy, of course, and I want to see cut back every dollar it is not necessary to spend, but I do not propose to cut back on the building of hospitals for wounded soldiers and sailors who are returning from the battlefields. Admiral McIntire says these naval hospitals are needed to care for the men now in the Pacific, the wounded and the sick.

Mr. MAYBANK. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. MAYBANK. I thoroughly agree with the Serator from Texas. Only a month ago I was assured by the Navy Department that a hospital had been approved for wounded marines and sailors to be built in South Carolina. It was authorized more than a year ago, yet that also would be eliminated now. It could not be built then because of lack of material. I want to be certain, as does the Senator, that we have economy wherever possible, but I want to be certain that the men returned from the war may get attention and treatment in hospitals where they are needed. That cannot be done in temporary buildings such as those we have now, because many of the veterans are permanently disabled.

Mr. CCNNALLY. I will say to the Senator that under the cuts imposed by this pill the naval hospital at Beaufort,

S. C.-

- Mr. MAYPANK. That is at Parris Island. It is the main training base on the east coast-New River and Parris Island, I will say to the Senator.

Mr. CONNALLY. I assume that hospital will not be built under this provision.

Mr. MAYBANK. The Senator's assumption is correct.

Mr. CONNALLY. I do not want to weary the Senate-

Mr. MAYBANK. Mr. President, will the Senator yield again?

Mr. CONNALLY. I yield.

Mr. MAYBANK. If all this money is eliminated of course the hospital will not be built.

Mr. CONNALLY. If the action of the Senate committee stands the hospital will not be built.

Mr. President, Admiral McIntire testi-

It will be recalled that the Bureau of Medicine and Surgery submitted a very conservative estimate of additional requirements-

Additional requirements, Mr. President-

for the fiscal year 1946 public work appropriation, estimated to total about 10,000 beds. It was stated that in the interest of economy every effort would be made to secure those beds either by the conversion of surplus Federal facilities or by the lease and conversion of suitable civilian facilities, resorting to construction only as a last alterna-The only exception to this policy was

the permanent naval hospital at St. Albans, required as a replacement for the obsolete plant at Brooklyn. It can now be seen as a result of curtailment of the war effort that requirements will be met by a program providing about 85,000 beds, in lieu of the 90,000 previously estimated.

Justification of the program is based on known deficiencies in operation of certain naval hospitals due to lack of one or more essential units, plus bed requirements calculated on projected naval strengths at intervals of the demobilization period.

I shall omit a part of the testimony, Mr. President, but shall ask to have Admiral McIntire's full statement incorporated in the RECORD in a moment.

Mr. MAYBANK. Mr. President, will the Senator yield again?

Mr. CONNALLY. I yield. Mr. MAYBANK. I should like to call the attention of the Senate and of the distinguished Senator from Texas to the fact that General Bradley, who is in charge of the Veterans' Administration, only recently made a survey with the hope that perhaps he might be able to use some of the temporary hospitals at Army camps in various places throughout the United States to house and care for some of the extreme cases. As the result of this very careful investigation by the Veterans' Administration 60 hospitals were declared surplus, and I am told that General Bradley himself says that some of these hospitals, of which they had hoped some part or some small section might be used, were of temporary construction and were not good enough to be used for the type of hospitalization about which Admiral McIntire testified.

Mr. CONNALLY. I thank the Senator

from South Carolina.

Resuming reading from Admiral Mc-Intire's testimony, Mr. President:

In setting up the revised 1946 public-works program it was considered advisable to include in it a certain number of permanent hospitals, looking forward to the lishment of many of our temporary hospitals which are attached to stations that will be abandoned. These hospitals are:

United	States	naval	hospita	l, St. Al-	-
A naval	hospit	al in t	he San	Francisco	0
	area				

A naval hospital in Beaufort, S. C 500 A naval hospital in Austin, Tex-A naval hospital in Marlin, Tex.____

Had the war continued these beds would have been urgently needed in the over-all hospital program.

I wish some of the members of the Appropriations Committee were present. This is an appropriation bill. I observe only one member of the Appropriations Committee, the distinguished Senator from Arizona [Mr. HAYDEN], on the floor of the Senate.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TAFT. I also call attention to the Senator from Kansas [Mr. REED] who is member of the committee.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WILLIS. I should like to inform the Senator that I am a member of the Appropriations Committee.

Mr. HAYDEN. Also the Senator from New Mexico [Mr. Chavez].

Mr. CONNALLY. I am glad to know that the three Senators are also members of the committee.

Mr. REED. May I inquire, is this an indictment or a compliment.

Mr. CONNALLY. No; I simply said I wished a greater number of members of the Appropriations Committee present. I am glad to know that the Senator from Kansas is in attendance, and looking after the bill, although the Senator does not know what is presently going on because he was in conversation with another Senator.

Mr. REED. Mr. President, may I inquire further-

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The Senator from Texas has the floor. Does the Senator from Texas yield to the Senator from Kansas?

Mr. CONNALLY. I yield to the Senator from Kansas.

Mr. REED. I should like the Senator from Texas to enlighten the Senator from Kansas further as to what feature of the bill is before the Senate.

Mr. CONNALLY. I continue to read from Admiral McIntire's testimony:

Now that the war is completed, these beds are urgently needed-

I want members of the Appropriations Committee to hear those words of the Surgeon General of the Navy, stating that these beds are urgently needed

urgently needed so that naval personnel can be housed in permanent structures and the temporary hospitals be disestablished.

Do Senators want our wounded men tobe housed in permanent fireproof structures or do they want them housed in old shacks? I want them housed in permanent structures.

I continue to read:

This is in the interest of good hospital care and also in economy of operation.

The Bureau of the Budget, in reviewing the 1946 public-works program of the Bureau of Medicine and Surgery, reduced the amount of money requested from \$55,897,700 to \$26,-764,511. It was necessary then for the Bureau of Medicine and Surgery to recommend to the Bureau of Yards and Docks a revision of its public-works plan.

In order to meet this drastic cut, the San Francisco Bay project of 1,000 beds was deleted. The hospital at Marlin, Tex., beds was deleted. The naval hospital at Austin, Tex., was reduced to 200 beds, and the naval hospital at St. Albans, N. Y. was reduced to 600 beds. This resulted in a reduction of 2,200 permanent beds in the 1946 program.

Mr. President, I ask that the complete statement made by Admiral McIntire on the subject be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

GENERAL STATEMENT FOR PUBLIC-WORKS PROGRAM FISCAL YEAR 1946, BUREAU OF MEDICINE AND SURGERY, BY VICE ADMIRAL ROSS T M'INTIRE

It will be recalled that the Bureau of Medicine and Surgery submitted a very con-servative estimate of additional requirements for the fiscal year 1946 public works appropriation, estimated to total about 10,000

beds. It was stated that in the interest of economy every effort would be made to secure those beds either by the conversion of surplus Federal facilities or by the lease and conversion of suitable civilian facilities, resorting to construction only as a last alter-The only exception to this policy was the permanent naval hospital at St. Albans, required as a replacement for the obsolete plant at Brooklyn. It can now be seen as a result of curtailment of the war effort that requirements will be met by a program providing about 85,000 beds, in lieu of the 90,000 previously estimated.

Justification of the program is based on known deficiencies in operation of certain naval hospitals due to lack of one or more essential units, plus bed requirements calculated on projected naval strengths at intervals of the demobilization period. Past experience demonstrates that the peacetime hospital sick rate is about 2 percent of total naval strength. To this must be added a factor arising from the prolonged definitive care required by war casualties. Whereas the average length of stay on the sick list for the usual hospital patient received in peacetime is approximately 28 days, war casualties requiring extensive surgical repairs and rehabilitation may pass 6 to 12 months in the hospital, thus increasing the requirements for beds. Other additional factors increasing the hospital patient load are the patients who will be admitted as a result of screening personnel prior to discharge, supernumeraries such as Coast Guard and dependents, and Veterans' Administration patients. Currently about 2,500 beds are allocated to the Veterans' Administration, but it has been stated by that agency that a request for increase may be expected, as beds become available, to a maximum of about 10,000

As of October 1 the total hospital patient load was 101,332. It is estimated that seasonal incidence of communicable disease, plus the increase of patient load resulting from screening personnel prior to discharge, will offset any decreases resulting from demobilization until about December 15, 1945, following which there will be a gradual reduction in patient load to 56,646 by July 1, 1946. For the remainder of the fiscal year the average patient load is computed to be 88,934 of which 75,327 may be expected to be hospitalized within the continental limits. Since the existing normal capacity is now 123.4 percent occupied, it is obvious that as the patient load declines first consideration must be given to abolishing the existing and very undesirable crowding in naval hos-pitals. This will be managed by permitting attrition to occur in the most overcrowded facilities while at the same time assigning incoming drafts to new facilities which will be established as the program is completed.

In setting up the revised 1946 public-works program it was considered advisable to include in it a certain number of permanent hospitals, looking forward to the disestablishment of many of our temporary hospitals which are attached to stations that will be abandoned. These hospitals are:

	Beds
United States naval hospital, St.	
Albans, N. Y.	1,000
A naval hospital in the San Francisco	
Bay area	
A naval hospital in Beaufort, S. C	500
A naval hospital in Austin, Tex	
A naval hospital in Marlin, Tex	500

Had the war continued these beds would have been urgently needed in the over-all hospital program. Now that the war is completed, these beds are urgently needed so that naval personnel can be housed in permanent structures and the temporary hospitals be disestablished. This is in the interest of good hospital care and also in economy of

The Bureau of the Budget, in reviewing the 1946 public-works program of the Bureau of Medicine and Surgery, reduced the amount of money requested from \$55,897,700 to \$26,-It was necessary then for the Bureau of Medicine and Surgery to recommend to the Bureau of Yards and Docks a revision of its public-works plan.

In order to meet this drastic cut the San Francisco Bay project of 1,000 beds was deleted. The hospital at Marlin, Tex., of 500 beds, was deleted. The naval hospital at Austin, Tex., was reduced to 200 beds, and the naval hospital at St. Albans, N. Y., was reduced to 600 beds. This resulted in a reduction of 2,200 permanent beds in the 1946 program.

The allocation of the further rescission by the House Appropriations Committee of an additional \$45,000,000 from the appropriation public works, Bureau of Yards and Docks, further reduced funds for the Bureau of Medicine and Surgery public-works program to \$21,224,257, necessitating the elimination of the following projects from the 1946 program:

National Naval Medical Center Research Institute: West annex for.

Naval hospital, St. Albans, N. Y .: Permanent construction of 384 beds and accessories thereof.

The annex for the Naval Medical Research Institute is planned to provide additional space required in housing special research equipment essential to the postwar medical research program, and its deferment will delay the launching of important research projects.

The construction of a 1,000-bed permanent hospital at St. Albans, N. Y., was authorized under the 1946 public works appropriation and is urgently needed in the postwar period to provide a permanent naval hospital in the New York area as a replacement for the old Brooklyn Naval Hospital. The further cutback in the St. Albans project is so extensive that provision remains for only 216 of the original 1,000 beds, making it impossible to operate only the permanent unit. Many patients must continue to be housed in temporary buildings.

It is considered vitally necessary to proceed immediately with a well-ordered con-struction plan for the postwar Navy. There will be in all naval hospitals about 12,300 beds in permanent construction by January 1. 1946. It is estimated that about 28,000 beds in permanent construction will be required in order to accommodate the expected patient load of a postwar Navy of 660,000, including the Marine Corps. This total includes 10,000 beds estimated by the Veterans' Administration as an immediate peacetime requirement. Thus it is obvious that a majority of patients must continue to be housed in temporary construction. It will be easily understood that it is not good economy to hospitalize 1,000 patients in a 5,000-bed temporary institution. The rescission of funds for the public-works program imposed by this bill has forced a reduction of 2,584 of the permanent hospital beds required for the postwar period. Since these beds must eventually be provided by the Government, as a part of a sound postwar hospital program, no economy is seen in eliminating these projects at this time.

Mr. CONNALLY. Mr. President, I do not want to take up more of the time of the Senate, because it may be futileit probably is futile-since the well-oiled and well-organized Committee on Appropriations is against any change in what they have done. But, Mr. President, this conduct will not be approved by those who want adequate hospitalization facilities for the wounded and the maimed and the sick boys who are coming back from the Pacific Ocean. That is where the chief burden is going to be. Admiral McIntire told me in so many words that they needed these facilities for the hospitalization and care of men from the Pacific area. Mr. President. this cut-back will eliminate two hospitals in which I am primarily interested. I am interested in all of them, but two are located in my own State and if I do not look after them I should feel derelict in my duty.

I do not know what the fortunes of this effort will be, Mr. President; I am afraid it will be very ineffective; but I desire now to serve notice on the Appropriations Committee that when the regular bill for 1946 comes along I shall make a superhuman effort to restore these items to that bill. I hope Senators will read the testimony of Surgeon General Mc-Intire in the RECORD. If they do they will be convinced that these reductions in appropriations for Navy hospitals should not take place.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 34, beginning with

Mr. CONNALLY. Mr. President, because of the attitude of the Senator from Massachusetts [Mr. WALSH], judgment I always regard highly, and who, as I understand, thinks that any effort now made to change these figures by amendment or otherwise, if it should result in an adverse vote, would in the long run operate to our disadvantage-

Mr. WALSH. That is my judgment. Mr. CONNALLY. I shall not offer a specific amendment to increase the amount, but I am serving notice now that if I know how to do it I shall cooperate with other Senators and form a little guerrilla band, if necessary, to see to it that the Committee on Appropriations pays some attention to the needs of wounded sailors and soldiers who want to be housed in permanent structures rather than in old discarded Army installations.

Mr. WALSH. I might add that there are few Members in the Chamber, and if a quorum were called and the vote cast would be a vote cast without any knowledge of the discussion which has taken place.

Mr. CONNALLY. They would rush in. Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. MAYBANK. I want to say that I thoroughly agree with what the distinguished Senator from Massachusetts has said, and I shall certainly join him and appear before the conference committee in the hope that the House provision may be adopted.

Mr. President, will the Mr. CHAVEZ. Senator yield?

Mr. CONNALLY. Lyield. Mr. CHAVEZ. I agree with what the Senator from Texas has said respecting the care of wounded soldiers and sailors. Everyone who is familiar with the record of the Committee on Appropriations must know that that committee is trying to and has taken care of wounded soldiers and sailors. I believe that if the record were known it would be found that the Committee on Appropriations has less to do with wounded soldiers and sailors and even dead soldiers and sailors than probably some other committees of the Senate.

Mr. MOORE. Mr. President, I am not a member of the Appropriations Committee, and have given very little study to the question of location of hospitals. I heard the Senator from Texas speaking about the location of a hospital at Marlin, Tex., which I understand is a rather small town. Is that correct?

Mr. CONNALLY. That is correct.

Mr. MOORE. In the matter of the location of hospitals I have frequently heard the suggestion made that they should be located in or near large towns. The suggestion was especially impressed on me by a situation in Oklahoma. In Okmulgee, Okla., which is what might be called a county-seat town, a hospital has been built which may now be regarded as a temporary hospital, but my information is that it is a good hospital. A move has been made to build a new hospital. The hospital at Okmulgee cost about \$5,000,000, and I have never been furnished with proof that it is not ample for the Veterans' Administration. I believe that the Veterans' Administration has recommended a hospital 100 miles away, at Oklahoma City, which is a large town. One of the reasons assigned was that the facilities in a large town were so much superior to those in a small town that it would be advantageous to build veterans hospitals in the larger That is the reason why I was imtowns. pressed by what the Senator said about his desire to have a hospital built at Marlin, Tex.

Mr. CONNALLY. Admiral McIntire of the Navy wanted to use the hospital at Marlin, Tex., particularly for the treatment of rheumatic and arthritic pa-The town is famous as a health resort.

Mr. MOORE. Would that reason outweigh the alleged advantages of building hospitals in larger towns?

Mr. CONNALLY. I do not subscribe to that doctrine. As I understand, that is the view of the Veterans' Administra-I am not authorized to speak for the Veterans' Administration, but I understand that General Bradley and his administration wish to locate veterans' hospitals near large cities.

Mr. MOORE. That is my understanding.

Mr. CONNALLY. That is fine for those who operate them.

Mr. MOORE. As I understand, the Senator does not agree with that doc-

Mr. CONNALLY. I do not agree with I do not believe that the wishes of the cities ought to have a great deal of influence in the location of hospitals. The superintendents, doctors, and officers who operate the hospitals may like to be close to a large city; but there are not many of the hospital patients who can get out on the boulevards. . They must remain in the hospitals. So I do not agree with that philosophy.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 34, beginning in line 6. [Putting the question.] The Chair is in doubt.

On a division the amendment was

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 34, line 18, after the numerals "1946", to strike out "\$1,324.691,800"; in line 22, after the word "to", to strike out "\$135,765,200" and insert "\$128,116,900"; in line 25, after the figures "\$44,934,000", to insert the word "and"; on page 35, line 2, after the word "to", to strike out "\$758,050,800" and insert "\$835,050,800"; in line 3, after the amendment just above stated, to strike out "and (4) continuing experiments and developmental work, and so forth, from "\$81,272,500' to "\$61,000,000' and insert "the subappropriation continuing experiments and development work, and so forth, is hereby increased from '\$81,-272,500' to '\$148,256,500'."

The amendment was agreed to.

The next amendment was on page 35, line 12, after the numerals "1944", to strike out \$41,321,480" and insert "\$40,-521,480."

The amendment was agreed to.

The next amendment was on page 36, line 5, after the numerals "1946", to strike out "\$310,000,000" and insert "\$307,750,-000."

The amendment was agreed to.

The next amendment was on page 36, line 17, after the word "vessels", to insert "except, not to exceed \$24,100,000 may be available during the fiscal year 1946 against the construction of five advanced type combatant vessels and 17 minor craft."

The amendment was agreed to.

The next amendment was, under the subhead "General provisions," on page 41, after line 19, to strike out:

Notwithstanding the provisions of section 10 of the Pay Readjustment Act of 1942 (56 Stat. 364), the Secretary of the Navy is authorized and directed to issue in kind during the fiscal year ending June 30, 1946, one service blue uniform and overcoat to each enlisted man in the naval service upon return to the United States from sea and foreign shore duty upon the sworn statement of such enlisted man that he was prevented, by competent naval authority, from taking such articles of clothing with his person at the time of his assignment to sea and foreign shore duty: Provided, That the value of such articles of clothing shall be charged to the clothing and small-stores fund.

And in lieu thereof to insert the following:

Notwithstanding the provisions of section 10 of the Pay Readjustment Act of 1942 (56 Stat. 364), the Secretary of the Navy is authorized and directed to issue in kind one dress blue uniform and overcoat to each enlisted man in the naval service upon his return to the United States from sea and foreign shore duty for separation from the naval service upon the sworn statement of such enlisted man that these articles of clothing are not now in his possession by reason of compliance with orders of higher naval authority or other exigencies of the service beyond his control and that no claim for reimbursement will be filed for the value of such articles so replaced: Provided, That the value of such articles of clothing shall be

charged to the clothing and small-stores fund. The authority contained herein shall terminate on September 30, 1946.

The amendment was agreed to.

The next amendment was, on page 42, after line 22, to insert:

Personnel of the Naval Reserve, not qualified for sea duty, will, upon their application, be placed on inactive duty if surplus to requirements.

The amendment was agreed to.
The next amendment was, at the top

The next amendment was, at the to of page 43, to insert:

The dependents and household effects of such civilian and naval personnel of the Naval Establishment (without regard rank or grade) on duty at locations outside the continental limits of the United States, or in Alaska, as may be determined upon by the Secretary of the Navy, may prior or subse quent to the issuance of orders for the relief of such personnel from their stations, or subsequent to the discharge or release of such personnel from active service, be moved (including packing and unpacking of household effects) from such locations outside the continental limits of the United States, or in Alaska, to such locations as may be designated by such personnel, or dependents concerned, by the use of either Government or commercial means of transportation, and later from such locations to the duty station to which such personnel may be ordered, and current appropriations of the Naval Establishment available for travel and transportation may be used for this purpose. lieu of the transportation in kind authorized for dependents, the Secretary of the Navy may authorize the payment in money of amounts equal to the commercial transportation costs (including taxes if paid), for the whole or such part of the travel for which transportation in kind is not furnished when

such travel shall have been completed.

The amendment was agreed to.

The next amendment was, on page 43, line 24, after "In all, title III", to strike out "\$14,604,721,830" and insert "\$14,309,609,614."

The amendment was agreed to.

The next amendment was, under the subhead "General provision," on page 44, after line 7, to insert the following:

Effective December 1, 1945, no military or naval personnel shall receive during the remainder of the current fiscal year aviation pay unless the person affected is assigned to duty on air activities prescribed by the Secretary of War or the Secretary of the Navy as requiring regular and frequent participation in aerial flights, or is required to participate regularly and frequently in aerial flights in order to continue his fitness for his primary technical skill: Provided further, That in addition, on or before January 1, annually, the Secretaries of War and Navy, respectively, shall certify to the Congress by rank and age group the number of such officers above the rank of major of the Army or lieutenant commander of the Navy, with the average monthly flight pay author ized by law to be paid to such officers during the 6-month period preceding the date of the report: Provided further, That the Secretary of War and the Secretary of the Navy shall on or before January 3, 1946, submit to the Congress a joint recommendation for revision of the Pay Readjustment Act of 1942, as amended, including but not restricted to recommendations with respect to increases authorized for flying pay, parachute pay, glider pay, submarine pay, and similar special pay and allowances.

Mr. McKELLAR. Mr. President, at the request of the Senator from Louisiana [Mr. Overton] who is ill, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee on behalf of the Senator from Louisiana to the committee amendment will be stated.

The CHIEF CLERK. On page 44, at the beginning of line 8, in the committee amendment, it is proposed to strike out the word "Effective" and insert in lieu thereof the following:

The appropriations contained in the 1946 War and Navy Department Appropriation Acts shall be available for increased pay for making aerial flights by flying or nonflying officers at rates as follows:

"Nonflying officers, \$720 per annum.

"Flying officers, not in parachute jumping or glider-pay status, who are required by orders of competent authority to participate in regular and frequent flights as an essential part of their military duty and training, shall receive an increased 50 percent of their pay when in consequence of such orders they participate in such flights: Provided, That such increase shall not exceed \$125 per month: Provided further, That effective ——."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKellar] on behalf of the Senator from Louisiana [Mr. Overton] to the committee amendment on page 44, line 8.

Mr. McKELLAR. Mr. President, I should like to make a brief explanation of the amendment. The Senator from Wyoming [Mr. O'MAHONEY] wished to be heard on it, and I have sent for him. It seems that a large number of of-

It seems that a large number of officers in the Army and Navy have had increased air-service pay of 50 percent. In the case of a high-ranking officer in the Army or Navy—for illustration, one who receives a salary of \$8,000 a year—if he was engaged in flying service during the war his salary was increased to \$12,000 a year, or an increase of 50 percent. That was under authority of law at the time, but it was supposed to be only for the duration of the war.

Since the end of the war, under some regulation an officer can increase his salary by going in the air 4 hours a month. Complaint was made to the committee by those interested in both the Army and Navy that that was not intended to be a part of the law. It was not intended that by simply going in the air and flying to Chicago and return, or to New York and return, cr remaining in the air in any way for 4 hours, an officer should receive an increase in salary of 50 percent.

The committee came to the conclusion that it was unfair and unjust for officers to increase their salaries in this manner. Both flying officers and nonflying officers were able to take advantage of the increase. However, nonflying officers were limited by law to an increase of \$720. Therefore, this amendment after leaving the increased pay of nonflying officers, of that kind, including doctors and officers at \$720 per annum, provides as follows:

Flying officers, not in parachute jumping or glider-pay status, who are required by orders of competent authority to participate in regular and frequent flights as an essential part of their military duty and training, shall receive an increase of 50 percent of their pay when in consequence of such orders they participate in such flights: *Provided*, That such increase shall not exceed \$125 per month.

That simply means that officers who fly the required amount of time shall not receive more than \$1,500 a year additional pay. Many of us thought that 50 percent was too much. I believe that this amendment ought to be agreed to. That is why I am offering it in the the absence of the Senator from Louisiana.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WALSH. Does not the limitation of \$1,500 affect only officers in the higher ranks, and not those in the lower ranks?
Mr. McKELLAR. That is true.

Mr. WALSH. So that those in the lower ranks would receive the 50 percent increase when they engaged in flying.
Mr. McKELLAR. That is true. The

Mr. McKELLAR. That is true. The amendment would affect only the higher-ranking officers. Some of the high-ranking officers increase their salaries by 50 percent merely by flying 4 hours a month. Some of us thought that that ought not to be done, and for that reason the Senator from Louisiana submitted his amendment. I approve the amendment, and I believe that it should be adopted. I hope the Senate will accept it.

A few moments ago the Senator from Wyoming [Mr. O'MAHONEY] stated that he wished to be heard in opposition to the amendment. I see that he is now in the Chamber, and I now yield the floor so that he may discuss it.

Mr. O'MAHONEY. Mr. President, the Senator from Tennessee was very kind to give notice to the Senate of my desire to be heard.

First, Mr. President, I send to the desk a letter which I have received from the Secretary of War, and ask that it be read. The PRESIDING OFFICER. Without

objection, the letter will be read.

The legislative clerk read as follows:

Washington, D. C., November 19, 1945. Hon. Joseph C. O'Mahoney,

United States Senate,

Washington, D. C.

Dear Senator O'Mahoney: In response to your request of me concerning the effect of an amendment to the First Supplemental Surplus Appropriation Rescission Act, 1946, which was introduced by Senator Overton on November 16, 1945, the following information is submitted:

The amendment offered by Senator Overton, as printed in the Congressional Record November 16, 1945, reads as follows:

"On page 44, line 8, strike out the word 'Effective' and insert in lieu thereof the following: "The appropriations contained in the 1946 War and Navy Departments Appropriation Acts shall be available for increased pay for making aerial flights by flying or nonflying officers at rates as follows:

"'Nonflying officers, \$720 per annum.'
"Flying officers, not in parachute jumping or glider pay status, who are required by orders of competent authority to participate in regular and frequent flights as an essential part of their military duty and training, shall receive an increase of 50 percent of their pay

when in consequence of such orders they participate in such flights: Provided, That such increase shall not exceed \$125 per month."

The amendment does not affect the pay of nonflying officers. It does, however, place a maximum limitation of \$125 per month (\$1,500 per year) on the extra compensation received by flying officers. The amendment, therefore, affects the pay of all officers authorized to receive flight pay who are above the rank of major in the Army and Marine Corps, and lieutenant commander in the Navy.

A small percentage of officers in the grade of major would also be affected. The following tabulation shows the approximate number of Army officers presently authorized to receive flight pay:

Generals of the Army (5-star)	
Generals (4-star)	4
Lieutenant generals (3-star)	. 13
Major generals (2-star)	7:
Brigadier generals (1-star)	
Colonels	
Lieutenant colonels	
Majors	
Captains	
First lieutenants	
Second lieutenants	
	10,000

Of the above officers, as closely as can be estimated at this time, the following would be affected by the proposed amendment:

Generals of the Army (5-star)	1
Generals (4-star)	4
Lieutenant generals (3-star)	13
Major generals (2-star)	72
Brigadier generals (1-star)	200
Colonels	3,000
Lieutenant colonels	6,000
Majors	1,700

Sincerely yours,

ROBERT P. PATTERSON, Secretary of War.

Mr. O'MAHONEY. Mr. President, without reading it, I ask unanimous consent to have printed at this point in the Record a letter which I received from Assistant Secretary of the Navy John L. Sullivan, transmitting a copy of a letter which was addressed to the acting chairman of the Appropriations Committee by Secretary Forrestal.

There being no objection, the letter and attached copy of letter were ordered to be printed in the Record, as follows:

THE ASSISTANT SECRETARY
OF THE NAVY FOR AIR,
Washington, November 15, 1945.

Hon. Joseph C. O'Mahoney, United States Senate.

My Dear Senator O'Mahoney: For your information, I am enclosing a copy of a letter of 10 November from the Secretary of the Navy addressed to Senator McKellar.

I would like to express to you my concurrence with the statement made by Secretary Forrestal to the effect that no changes should be made in the pay schedules now in effect, including flight pay, except after a thorough study.

thorough study.

The amendment to the rescission bill which has been passed by the Senate Appropriations Committee will provide for that study, and the Navy will submit to the Congress by 3 January 1946 a full study with respect not only to flight pay but, further, with regard to the pay structure of the Navy as a whole.

I feel very strongly that the Navy should have this opportunity of presenting the results of a thorough study to the Congress before any action is taken which would reduce the pay of a limited group of personnel.

Sincerely yours,

JOHN L. SULLIVAN.

November 10, 1945.

Hon. Kenneth McKellar, Senate Appropriations Committee.

MY DEAR SENATOR: With regard to the attached proposed amendment to the rescission bill now under consideration by your committee, it is my considered opinion that the whole matter of the pay structure of the armed services is a subject which should receive the early attention of the Congress. The armed services are now operating under the basic structural provisions of the 1908 pay bill, as modified by the 1922 Pay Readjustment Act. No changes should be made in the pay schedules now in effect, including flight pay, except after a thorough study. The opinion of personnel of all ranks and ratings of all services concerned should be obtained and considered.

The proposed amendment would, without mature deliberation, reduce the pay of a large number of naval aviators whose services in the recent war contributed so greatly to that war. This reduction in pay would not be in accord with the apparent policy of the administration toward increasing compensation of Government personnel.

The proposed amendment would, in my opinion, adversely affect the existing high morale of naval aviation. It would, I fear, most seriously react against the efforts of the Navy to induce large numbers of experienced naval aviators of the Naval Reserve to transfer to the Regular Navy. I believe it is hardly necessary for me to point out to you the serious consequences which would result if we now lose the services of this excellent group of young combat experienced aviators.

For the above reasons I am strongly opposed to the proposed amendment. Sincerely yours,

JAMES FORRESTAL.

Mr. O'MAHONEY. Mr. President, I shall be content to say that the Appropriations Committee considered this matter at length; and, being of the opinion that it would be altogether improper at this time to legislate such a farreaching change in the schedules of aviation pay in both the Army and the Navy, the committee rejected an amendment which was substantially the same as the one now offered by the distinguished Senator from Tennessee on behalf of the able Senator from Louisiana.

Mr. HILL. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. HILL. The distinguished Senator from Wyoming has requested that a letter from the Assistant Secretary of the Navy, Mr. Sullivan, together with a copy of a letter from Secretary Forrestal, be printed in the RECORD, I believe.

Mr. O'MAHONEY. That is correct.

Mr. HILL. I wonder whether the Senator will permit me to read an excerpt from the letter of the Assistant Secretary of the Navy, Mr. Sullivan, because it is so succinctly stated.

Mr. O'MAHONEY. I shall be very happy to have the Senator do so.

Mr. HILL. The letter is under date of November 15, 1945, and it contains the following statement, among others:

I would like to express to you my concurrence with the statement made by Secretary Forrestal to the effect that no changes should be made in the pay schedules now in effect, including flight pay, except after a thorough study.

Mr. O'MAHONEY. I thank the Senator.

A majority of the Committee on Appropriations was of the opinion, of course, that the door should be closed against any abuse of the present provisions for extra pay for flight. Therefore, the committee has reported to the Senate the amendment which appears on page 44, beginning in line 8.

Suffice it to say that this amendment requires the Secretary of War and the Secretary of the Navy, respectively, to certify as to the essentiality of any flights which may be taken by officers in the respective Departments, before they shall be entitled to the extra pay. It also requires these Departments to make a report to the Congress in January 1946 covering the whole subject of the aviation-pay structure.

So. Mr. President, with that report before us, the Congress then will be in a position to act with information, without haste, and in a manner designed to preserve the best interests of the flying services.

Actually, Mr. President, this is a matter of legislation, and it should come from the respective legislative committees having to do with the affairs of the To me, the most important services. aspect of the matter, however, is that during the war the aviation services of both the Army and the Navy rendered heroic service to the country. The exploits of those two flying services have never been excelled in any combat service. Now that demobilization is upon us. however, the sad fact is that the personnel of both these services is beginning to disappear. Testimony before our com-mittee from General Arnold indicated that the rate of accidents in the Air Corps is rising. Skilled and able personnel are retiring into private life. No one can doubt how important it is, not only to the United States but to the whole world, that the Air Corps of both the Army and the Navy shall be maintained at a high level of morale in this period. No one doubts that the maintenance of peace in the world will depend upon the existence of an efficient and effective air force in the armed services of the United States

Mr. President, these aviators, of high degree or low degree, during the war received compensation upon a schedule to which the Congress had given its complete approval. To undertake now, in this summary manner, without a constructive study of the situation, to cut the compensation of these fliers would, it seems to me, clearly undermine the morale of both services. We are saying to this branch, and to this branch alone, "You must now accept a severe reduction in your compensation."

It is not a matter of dealing with a few officers at the top. It is a matter of dealing with thousands of officers. The letter of the Secretary of War, Mr. Patterson, clearly indicates that 1,700 majors, 6,000 lieutenant colonels, 3,000 colonels, and 200 brigadier generals will be affected. To them, if the Senate should adopt the amendment, the Senate would be saying "Despite your services in this war, and although you have not had an opportunity to tell your story to a committee f the Senate, we are now undertaking to cut your compensation"-and

this in the face of the fact that the action of the committee has been sufficiently clear to close the door to any abuse of this excess pay and to call upon both the Army and the Navy to present to the Congress a full study of the whole matter. Surely, Mr. President, the Senate will not wish to undertake to make this radical departure in such a hasty and such a premature manner as would be the case if this amendment were adopted.

The Committee on Appropriations, after having heard what evidence was presented, decided against the amendment. The committee heard personally from Judge Patterson, who appeared before us. Secretary Forrestal sent a letter to the committee. An effort was made to have Secretary Forrestal come before the committee at the same time Judge Patterson appeared there, but such short notice was given that the clerks of the committee were unable to reach Secretary Forrestal in time. Secretary Patterson appeared before the committee, having received the message only that morning. His statement to the Committee on Appropriations was simply this:

Do not act hastily. Give the War Department an opportunity to examine this matter. The War Department will cooperate. The War Department will do its part to prevent abuse. But it does not want to see the morale of the Air Force impaired by hasty

The War Department will cooperate. The War Department will do its part in order to prevent abuse, but it does not want to see the morale of the Air Forces impaired by hasty action.

That, Mr. President, is the story. It was sufficient to convince the majority of the members of the committee, and I believe it should be sufficient to convince the majority of the Members of the Senate that the committee was right in rejecting the proposal.

Mr. HILL. The distinguished Senator has quoted Secretary of War Patterson. I should like to quote a brief paragraph from a letter from the Secretary of the Navy, Mr. Forrestal. The letter, which is addressed to the chairman of the Senate Appropriations Committee, states in part as follows:

The proposed amendment would, without mature deliberations, reduce the pay of a large number of naval aviators whose services in the recent war contributed so greatly to This reduction in pay be in accord with the apparent policy of the administration toward increasing compensation of Government personnel.

The proposed amendment would, in my opinion, adversely affect the existing high morale of naval aviation. It would, I fear, most seriously react against the efforts of the Navy to induce large numbers of experienced naval aviators of the Naval Reserve to transfer to the Regular Navy. I believe it is hardly necessary for me to point out to you the serious consequences which would result if we now lose the services of this excellent group of young combat experienced aviators.

That is the opinion of the Secretary of the Navy, Mr. Forrestal.

The Assistant Secretary of the Navy for Air, Mr. Sullivan, also wrote a letter which he closed with the following statement:

I feel very strongly that the Navy should have this opportunity of presenting the results of a thorough study to the Congress before any action is taken which would reduce the pay of a limited group of personnel.

As the distinguished Senator from Wyoming has pointed out, the committee amendment provides for the study to Not which reference has been made. only that but it even fixes a limitation. It provides that the Secretary of War and the Secretary of the Navy shall make reports to Congress on or before January 3, 1946. That is hardly 45 days from now. It provides also that they shall furnish to the Congress a list of names of men in the Army above the rank of major, and in the Navy above the rank of lieutenant commander, who draw extra flight compensation

Without having had an opportunity to obtain necessary information the Senate should not hastily this afternoon act upon the matter. We should do what the committee recommends in its amendment be done, namely, obtain the information, and then we will be in a position

intelligently to act.

Mr. O'MAHONEY. Mr. President, I thank the Senator from Alabama.

There is now pending on the calendar a bill which was reported from the Civil Service Committee, raising the pay of civil officers and employees of the Federal Government. It would be strange, indeed, in the face of an appeal such as the Senator from Alabama has quoted from the Secretary of War and the Secretary of the Navy, for the Senate to undertake to say that the compensation of flying officers should be summarily reduced

Mr. O'MAHONEY subsequently said: Mr. President, I ask unanimous consent that a memorandum in justification of flying pay be printed in the RECORD at the conclusion of my remarks with reference to the amendment which was considered by the Senate a few moments

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

JUSTIFICATION OF FLYING PAY

1. The necessity for recognizing the hazards of military flying has been accepted by all nations since the initial development of military aviation.

2. Congress first authorized flying pay in 1913 because of the hazardous nature of fly-The National Defense Act of 1920 and the Pay Readjustment Act of 1922 provided 50 percent extra flying pay for those who participate in regular and frequent flights.

3. In 1939 a special board consisting pre-

dominantly of nonflying officers appointed by the War Department to study the flying pay problem made a careful investigation into all aspects of military flying hazard and justification of flying pay. I quote from their report (p. 14): "Adverse criticism has been heard of the principle of paying military personnel for flying duty. of this criticism the board has reinvestigated the subject carefully and in detail. This investigation has shown that this criticism is unjustified. It has been demonstrated conclusively that any flying involves a hazard above that incurred in routine military duties which do not involve flying, and the board is further convinced that continual flying jeopardizes the mental and physical well-being of the average man. Further, the board believes that the experiences of the past 20 years indicate that the average useful

service life of the flying officer will be markedly shorter than the service life of the officer on nonflying duties, due to the necessity for youthful physical and mental alertness and stamina demanded by the operations of modern airplanes in military flying. The increased hazards and expectancy of a shorter service life fully justify extra compensation

to the men who subject themselves to the risks incident to flying."

4. The facts presently on hand indicate that the hazards of military flying are as prevalent today as they were in 1938. The following figures and fatality rates were computed from records available in the Office of the Air Surgeon:

Table I.—Death rates per 1,000 per annum 1944, continental United States, flying versus nonflying personnel

	Number	. Aircraft accident		Other than aircraft accident		Total	
		Number	Rate	Number	Rate	Number	Rate
Flying personnel	235, 242 1, 134, 265	4, 207 227	17.9	220 516	0.9	4, 427 743	18.8
Total	1, 369, 507	4, 434	3.2	736	.6	5, 170	3.8

The greatest number of deaths in the Army Air Forces is among flying personnel and the greatest single cause is alrcraft accident. The death rate among flying personnel in aircraft accidents (17.9) is approximately 30 times the death rate among nonflying personnel due to all causes.

TABLE II.—Fatality rates—Flying personnel
(Rate per 1 000 per annum)

	(Leave per 1,000 per annum)	
Zea	r:	Rate
	1932	17
	1934	. 16
	1936	20
	1938	. 14
	1944	18

Notice the rate of fatalities per 1,000 flying personnel per annum in 1944 is greater than in 1938, 1934, or 1932. At the same time the fatalities per hours flown in 1938 were 1 per 15,553 hours of flight as compared to the rate in 1944 which was 1 per 8,000 plus hours of flight.

5. The following comparisons of life expectancy between flying and nonflying officers were made from a study by the Office of the Air Surgeon:

Average expectation of life of men at age 20
Years
Regular Army officers, nonflying 49.3 General United States population.
white males 46.0
Rated observers, Regular Army officers_ 43.4
Pilots Regular Army officers 37 2

Pilots may expect 12 years less of life than nonfiying Regular Army officers. Rated observers may expect 6 years less of life than nonfiying Regular Army officers.

nonflying Regular Army officers.
Filots at the age of 20 may not expect to live any longer than other officers at the age

One out of every four pilots will die before his thirty-ninth birthday.

6. Insurance companies are exhibiting new interest in writing aviation insurance. However, only one company—Travelers—have announced their rates—\$12 per year per \$1,000 in addition to normal rate—same as before war. Some companies are writing some at lower rates but until the military aviation risk tables are backed up by facts they are doing so only on a tentative basis and are not publishing their rates. It is the opinion of our life insurance contact—Colonel Grayson of Personal Affairs Branch—that most companies will go back to old rates for military aviators as soon as risk tables, based on the facts, are worked out. There is an indication that lower rates might be available, for bombardiers, navigators, and flight surgeons.

7. It can be seen that in spite of great advances in military aircraft design and vigorous safety measures within the Air Force during the past 10 years the accident rate

has not decreased. This is not comparable with the records of commercial air lines for many reasons. In the first place, performance is inimical to safety factors in aircraft design. The exigencles of aerial combat has forced the Air Forces to utilize the advancement in aircraft construction to increase combat performance rather than to use this advancement to increase aircraft safety factors. The necessity for minimizing losses in combat while maintaining military ef-fectiveness establishes the balance between design performance and design safety fac-Military flying as a type in itself is mor hazardov than normal flying. The in-troductions of new aircraft operated under hazardous weather and terrain conditions tend to maintain the hazard of military flying compared to the routine, constantly repetitious route flying of commercial air lines

8. Flying pay as compensation for extra hazard inherent to military flying is as necessary today as it has been in the past. Until further developments alter the conditions in the interest of a strong Air Force there should be no change in the basic principle of flying pay.

Mr. MAYBANK. Mr. President, I wish to emphasize the point which the Senator from Alabama has made in reading from letters which were written by the Secretary and the Assistant Secretary of the Navy. I remind Senators that there is a bill before the Congress to increase the number of officers in the Regular Army. We were told that approximately 4,000 Regular officers would be taken into the Air Force, and that the Air Force of the Regular Army was in dire need of officers. I think we should not talk about raising the compensation of civil-service employees while at the same time we reduce the pay of officers and men of the armed Of course, I thoroughly agree with the Senate committee amendment, which would prevent any unreasonable request for flight pay on the part of members of the Army and Navy Air Forces, but the amendment we are now considering goes too far, in my judgment, and is not necessary.

Mr. GURNEY. Mr. President, I should like to offer for the Record a letter in its entirety from General Arnold dated November 12, 1945. The letter is written on the subject which we are discussing. I ask that the letter be printed in the Record at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HEADQUARTERS, ARMY AIR FORCES, Washington, November 12, 1945. Hon. Chan Gurney, United States Senate.

DEAR SENATOR GUENEY: Having been informed that a proposed amendment is being voted upon by your committee this morning, which will have a disastrous effect on our Army Air Forces, and knowing of your keen interest in the Army Air Forces, I want to

place the following facts before you.

The amendment which would reduce the flight pay of Army flying officers to the minimum for a major in the fourth pay period will have the following effects:

a. It will reduce the pay by more than \$100 a month of all of our air combat leaders in the late war, including a great many of our leading aces.

b. It will destroy the career incentive in the Army Air Forces at the very time when we are making every reasonable effort to induce young Reserve officers of outstanding ability, as demonstrated in the war, to become members of the permanent establishment.

c. It has been clearly demonstrated, and on one occasion by an impartial War Department Board, that there is a career hazard in military aviation, and that the flying officer must carry the burden of heavy additional insurance for the protection of his family, if he is to undertake this additional hazard.

It is my considered view that it would be difficult, if not impossible, to suggest a course of action which would have a more disastrous effect on the Army Air Forces than the amendment which is proposed. I believe it will result in destroying the morale of the Army Air Forces in the most critical period in its history.

Sincerely,

H. H. ARNOLD, Commanding General, Army Air Forces.

Mr. GURNEY. In his letter General Arnold states that the adoption of the amendment offered by the Senator from Louisiana [Mr. OVERTON] "will destroy the career incentive of the Army Air Forces at the very time when we are making every reasonable effort to induce young Reserve officers of outstanding ability, as demonstrated in the war, to become members of the permanent establishment."

That statement alludes to the same subject matter which was brought up by the Senator from South Carolina [Mr. MAYBANK]. The Air Forces have great need for experienced men. They need them in the permanent establishment. The need will persist so long as world conditions continue to be in any way threatening to the security of our country.

General Arnold states further:

It is my considered view that it would be difficult, if not impossible, to suggest a course of action which would have a more disastrous effect on the Army Air Forces than the amendment which is proposed. I believe it will result in destroying the morale of the Army Air Forces in the most critical period in its history.

Personally I believe there is some justification for a complete "look-see" at the extra pay being given members of the Army and the Navy, not only for flying but also for service on submarines and gliders, in parachute service, and possibly some of the other services such

as the infantry. That would include the infantry medical corps. All such compensation should be adjusted on the basis of equality in both the Army and the Navy. We should not single out one branch, as is being proposed in this amendment.

Mr. HILL. The distinguished Senator from South Dakota is a member of the Appropriations Committee. This very amendment was rejected by the committee, was it not?

Mr. GURNEY. Yes.

Mr. HILL. Of course, the Appropriations Committee acted wisely when it rejected the amendment. There had been no hearings on the matter. No witnesses had come before the committee to advise it with reference to the facts.

Mr. McKELLAR. Mr. President, the Senator is not a member of the committee or surely he would not have made such a statement. The committee heard a great deal of evidence on the If the Senator will examine subject. the hearings he will be in a position to confirm my statement.

Mr. HILL. Will the Senator advise me with reference to the testimony

which was given?

Mr. McKELLAR. Here are the headings: "Question as to abuse in payment of flight pay," on page 546; "Flight surgeons," on page 545. A memorandum from General Arnold appears on page 546. The entire matter was gone into before the committee.

Mr. GURNEY. I agree in part with the Senator from Telnessee.

Mr. McKELLAR. The record is before me.

Mr. GURNEY. I think we went into the matter in a haphazard way. We did not consider the entire matter. We did not have an opportunity to question representatives of the War Department and the Navy Department. They did not tell us what they had in mind for the future.

Mr. President, I hope the amendment will not be agreed to.

Mr. HILL. Mr. President, from what I see in examining the hearings, the questions which were propounded were very sketchy in character, and there was no real hearing held upon the subject. Is that not true, in the sense that the Appropriations Committee could have had witnesses appear before it so that the committee could have gone into the matter and heard the complete facts with reference to the situation? Is that not correct?

Mr. GURNEY. When we went into the subject of the pay structure in 1942 with regard to both the Army and the Navy, it took the joint committee of the Army and of the Navy a couple of months to prepare their joint recom-mendation with reference to equalized pay and just compensation to every man in every branch of the Army and of the Navy. Then the Committee on Military Affairs considered it, hearing witnesses from the Army and Navy. Possibly it took us a matter of a week. Then the Committee on Naval Affairs had the matter before it, and made certain recommendations, and finally the bill was reported, after a period of about 3 months. The question now under discussion was considered in a matter of a

Mr. HILL. So far as the hearings in the committee were concerned, I would say it would be more a matter of a few minutes than of a few hours, because, as I stated, there has been no real hearing on this subject by the committee. I am sure that was one reason why the committee rejected the mendment.
Mr. McKELLAR. Mr President, will

the Senator from South Dakota yield?

Mr. GURNEY. I yield.

Mr. McKELLAR. I wish to say to the Senator from Alabama that again he is wholly mistaken. The question was raised, and we gave the officials of the Army and Navy time to make a report on the subject. Secretary Patterson came before the committee and testified in substance to what appears here. Only one other question in connection with the bill was considered as carefully as was this one, and that was the question we disposed of a little while ago. was the only other question which was considered for the same length of time and in the same careful manner.

Mr. GURNEY. Let me say in conclusion, Mr. President, that the amendment, if adopted, will not only be unfair to the Army flying officers who still remain in the service-and in the military service 10.990 will be affected-but I believe it will be notice to all the flying men that this Nation is not as grateful as it should be for the heroic services they have ren-

dered in this war.

The flying services certainly did a great job in hastening the end of the war. In order that my statements may not be misconstrued, I may say that the ground forces were always glad to have air cover in any battle in which they were engaged, they were very grateful for the services rendered by the flying men above them.

Mr. HILL. Mr. President, will the Senator yield?

Mr. GURNEY. I vield.

Mr. HILL. So far as I can see from the hearings, no one spoke for the Navy. Did anyone speak in reference to the Navy air arm or the marine air arm?

Mr. GURNEY. We had letters, but no actual representative from either the Navy or the Army.

Mr. McKELLAR. Mr. President, I think I should make a statement about this matter. In the first place, I think it would not be very hard to prove that I have been a friend of both the Army and the Navy. The committee gave them every appropriation they requested.

In the next place, I do not believe it would be very difficult to prove that I have been very friendly to aviation. I introduced the first bill providing for carrying mail by airplane. It was passed, and is on the statute books now. I never was more ridiculed in my life and I do not mind giving some of the names of those who ridiculed me. One was Senator Hardwick, of Georgia; another was Senator King, of Utah; another was Senator Borah, of Idaho. There were a number of other Senators, then Members of this body, who ridiculed me for suggesting that mail could be carried by air. I had encountered very active and vigorous opposition in 1917, when I introduced the first bill to establish a little jerk-water mail-carrying air line between Washington and New York, and was able to get an appropriation of only \$100,000. The next year I got a similar appropriation. The third year I got \$450,000, enough to extend the line to Chicago, and the fourth year, 1920, when the proposal was to extend the line to San Francisco, the real fight came, but I succeeded in my efforts notwithstanding the great opposition I met. I succeeded each time, and carrying mail by air became established by law of the land. It has been a marvelous success, as all flying has been.

I wish to say to the flying officers of both the Army and the Navy, and any others who have flown in this war, that they have rendered a great service. I take off my hat to them. I do not believe any officers ever did a finer job. They rendered greater service than has ever been rendered before. I do not want to see their wonderful work besmirched—I repeat the word, "be-smirched"—by anything that may hap-

pen in peacetime.

Something has been said about morale. I first learned about this matter from a statement of a very distinguished officer of the Navy, who received a very large salary, but because he made air trips once a month, drew half as much in addition. It hurt me when I heard it, but in a day or two, when I examined into the matter, I found that that officer, when he put his mind on it, was made of the right kind of stuff. He voluntarily took his name off the list.

Why did this great commander of naval ships do a thing like that? Did he feel as if he were hurting the morale of the Navy when he refused to take that which he had inadvertently taken in the beginning? No. All honor to him. He felt that he was increasing the morale of the organization over which he presided by declining to take this pay in peacetime which had been authorized only for time of war.

Therefore, speaking of morale, here was a man who took advantage of the provision, and it hurt his own morale to such an extent that he declined to continue it. I am not calling his name, but I wish to say that I have a thousand times more respect for him for taking his name off the list.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. GURNEY. Referring to the Senator's remark that this pay was given only during time of the war, I want to have the RECORD show that the first authorized extra flying pay was provided in 1913, given because of the hazardous nature of flying. The National Defense Act of 1920 and the Pay Readjustment Act of 1922 provided 50 percent extra pay for those who participated in flying. That has been continued ever since 1920.

Mr. McKELLAR. Perhaps the Senator is correct that it is in the general law. But I wish to ask the Senator a question. If he were a naval officer above the rank of lieutenant commander, and did not make flying a business, but flew only occasionally, and since the war was over flew merely enough to come within the limit of 4 hours in a month, would he be willing to take pay of this

GURNEY. Will the Senator yield?

Mr. McKELLAR. Indeed, I do yield. I asked a question, and I shall be glad to yield. The Senator would not do it,

Mr. GURNEY. Let me say to the Senator that this officer, whoever he may be, may have arrived at his high position in command of the flying services, and of other services or branches of the Navy, because of his experience in flying, which had come about through perhaps 30 or 40 years of service. There may be some justification for Uncle Sam paying that officer the extra pay for the knowledge he gained, and the fact that he was able to give wise orders during the war to other men may have been well worth whatever it cost Uncle Sam. If he did not need the pay, as a matter of morale I think I would compliment him if he did not draw the pay, if he did not make any actual, bona fide flights.

Mr. McKELLAR. To gain the extra flying pay does not require bona fide flights. It applies to any flights. officer merely has to be in the air for so many hours. The amendment does not apply to any of the younger officers, merely to officers above the rank of major in the Army or lieutenant commander in the Navy. If an officer above those ranks goes up and stays 4 hours a month, he increases his salary by 50 percent. I may be wrong, but to my mind I do not think that is fair or just.

Now I wish to say a word about the committee. Ordinarily the Committee on Appropriations is composed of 25 members. Former Senator Burton, who was a member of the committee is now on the Supreme Court bench, and the vacancy on the committee has not been filled. That leaves 24. I do not think former Senator Burton was present when this matter was passed on. I think there were only 24 members on the committee then. The vote on the motion of the Senator from South Dakota [Mr. Gur-NEY] to reject an amendment similar to this was 9 to 8. That was a total of 17 members. The vote to reject was 9, out of a total of 24 members on the committee. It was not a majority of the committee. I do not know what inducement or argument could have been made or offered to change the result one way or the other. If the full membership of the committee were present, the same result might have occurred. I wanted to explain to the Senate that only 17 members of the committee were present and that the vote was 9 to 8.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. O'MAHONEY. I suggest that that is a very strong argument to dissuade the Senate now from voting to overturn the committee.

Mr. McKELLAR. If the Senator always used that argument, we would be in a very bad fix, because most of our bills are passed by what is not a majority. Unfortunately, that is so.

I was present and the Senator from Wyoming was present, and the vote was 9 to 8.

Mr. President, we have heard much said about morale. Let us see about morale. I never was more astonished in my life than when General Arnold testified, and I want to quote his words as to what the proposed action would do to the Army Air Forces. I like him so much that I want to use his exact words. They are as follows:

I have been informed that you have referred to the War Department a proposed amendment to the first supplemental surplus appropriations rescission bill for 1946 which would restrict flight pay which may be paid to the flying officers of the Army Air Forces to that of the minimum of a major in the fourth pay period. This proposed amendment will, in my considered opinion, have the effect of destroying the Army Air Forces in the most critical period of its

Listen to that language, Senators. Let me read it again, because this is the language of the head of the Army Air

This proposed amendment will, in my considered opinion, have the effect of destroying the Army Air Forces in the most critical period of its history.

Is there a Senator on the floor who agrees with General Arnold in that statement?

Mr. GURNEY rose.

Mr. McKELLAR. I count the Senator from South Dakota as one.

Will any other Senator stand up? Does any Senator believe that statement? Of course General Arnold made a mistake about the matter. He is a perfectly truthful man. I am not impugning his truthfulness, but he simply became a little excited about this matter. Listen to the language again:

This proposed amendment will, in my considered opinion, have the effect of destroying the Army Air Forces in the most critical period of its history.

I do not think this is the most critical period in its history, for that matter, but I read that language for the purpose of showing the Senate how excited a man can become when the interests of those under him are concerned. In one way he is to be complimented, and in another way I think he has made a great mistake in giving that advice to the Senate.

Let us see whom the amendment would affect. It would affect one of the generals of the Army. We have five generals of the Army.

Mr. GURNEY. Mr. President, will the Senator vield?

Mr. McKELLAR. I yield. Mr. GURNEY. That means it would affect General Arnold, a five-star general. It would affect one five-star gen-

Mr. McKELLAR. General Arnold flies all the time. It would not affect him in any way; it would not affect him a particle now, and it might affect him in the future if he continues to fly. That, however, I do not know. It might affect him after he retires. But I do not think it will affect him now in the slightest.

Next, it would affect four generals. I do not know whether they are retired or still in active service.

It would affect 13 lieutenant generals, who would receive pay and one-half for flying 4 hours a month.

It would affect 72 major generals, 200 brigadier generals, 3,000 colonels, 6,000 lieutenant colonels, and 1,700 majors. It would not affect 8,300 majors.

Talk about morale, Mr. President. It would affect only a comparatively few officers. It is perfectly clear that the whole thing arose out of the purpose to increase the salaries of officers who rarely flew; who, indeed, flew merely once a month. It seems to me we ought not to permit such a thing. It seems to me we ought to stop it now. The amendment would not affect at all second lieutenants, of whom there are 45,000. It would not affect first lieutenants, of whom there are 55,000. It would not affect captains, of whom there are 24,000. It would not affect 8,300 majors.

The same is true with respect to the relative classes of officers in the Navy.

Under those circumstances, Senators, I do not see how we would injure the morale of the Army or the Navy by discontinuing a plan under which by flying 4 hours a month the higher ranking officers can secure 50-percent increase in pay. The fact that one admiral who was a flier refused after a short period to accept the increased flight pay tells the whole story. We could argue the point for a month, but we could never make so good an argument as that. He inadvertently took the increased pay at first, but later refused it. Why? In view of the moral plane on which our Army and Navy operate he felt that he should not take the increased pay. The fact that he did not think he should take it speaks louder than words.

Mr. President, I shall ask for a vote on the amendment. It seems to me that the amendment prepared by the Senator from Louisiana [Mr. Overton] should be agreed to. I regret he is not present. I have probably presented the matter very inadequately because I am perhaps not so familiar with the subject as he is. But I think we will be doing the Army and the Navy the greatest possible injury if we allow the situation to remain

as it is.

It is said that we ought not take this action without an investigation being made. Is a matter of this kind subject to being investigated? We know exactly what the situation is. Everyone knows what it is. Are we going to let Army officers who are not regular fliers receive this increase in pay? The proposal would not hurt the regular fliers at all. The general of the Army referred to does not operate a plane. The 4 generals in question do not operate planes. The three lieutenant generals do not operate planes. Neither do the 72 major generals, the 200 brigadier gen-Neither do the 72 erals, the 3,000 colonels, the 6,000 lieutenant colonels, or the 1,700 majors. So we ought not allow such a condition to continue. I hope the Senate, by approving the amendment, will not permit the condition to continue.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee on behalf of the Senator from Louisiana [Mr. OVERTON] to the committee amendment. [Putting the question.] Mr. McKELLAR. Mr. President, let

us have a standing vote.

On a division, the amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 44, beginning in line 8.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. WALSH. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the in-

formation of the Senate.

The CHIEF CLERK. On page 28, line 12, it is proposed to insert the following: "Provided jurther, That of the funds remaining available for advance base construction, material, and equipment, not to exceed \$6,000,000 shall be available toward reconstruction of the civilian economy of Guam."

Mr. WALSH. Mr. President, that is the amendment I have discussed with

the Senator from Tennessee.

Mr. McKELLAR. Mr. President, will the Senator make a brief statement about it? I think I should accept it, but I should like the Senator to make a brief

statement concerning it.

Mr. WALSH. Mr. President, there have been several bills before the Committee on Naval Affairs relating to Guam. This particular appropriation is the result of an authorization by the Naval Affairs Committee for the building of public buildings in Guam. The bombardment of Guam by American forces in order to drive the Japs out resulted in the destruction of every single solitary public building, including schools, what would correspond to a city hall, the jail, the courthouse, and the post office. This appropriation is to provide funds to be taken from the advance base construction appropriation and used for erecting the buildings to which I have referred. The original request before the Committee on Naval Affairs was for \$15,-000,000, but we felt that the program was too elaborate and expensive, and we reduced the recommendation for authorization to \$6,000,000. It will be necessary to build schools, administration buildings, a jail, a hospital, and, in fact, every building which a community of 22,000 would need for public uses.

Mr. McKELLAR. Mr. President, I believe that this construction should be done, and so far as I am concerned I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. Walsh] on page 34, line 10.

The amendment was agreed to.
The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third

time.

The bill, H. R. 4407, was read the third time and passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist upon its

amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Mc-Kellar, Mr. Glass, Mr. Hayden, Mr. Tydings, Mr. Russell, Mr. Overton, Mr. Brooks, Mr. Bridges, Mr. Gurney, and Mr. Ball conferees on the part of the Senate.

SUMMARY OF FIFTH QUARTERLY RE-PORT OF OFFICE OF CONTRACT SET-TLEMENT

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that a summary of the Fifth Quarterly Report of the Office of Contract Settlement may be printed in the body of the Record. The office of Contract Settlement, which is headed by Mr. Robert H. Hinckley, has been carrying on the utterly tremendous task of settling terminated war contracts. I am sure that the report of a work of such magnitude is of interest to all Members of the Senate. The full text may be obtained, but I think it would be of value to have a summary of the report printed in the Record.

There being no objection, the summary was ordered to be printed in the RECORD,

as follows:

Victory brought mass terminations as was expected. The magnitude of the contract settlement job is now known. We are confident that if everyone continues to do his part it will be speedily and successfully completed.

The surrender of Japan brought termination of 113,000 prime contracts involving \$24,000,000,000 in canceled commitments. On September 30 the total number of prime contracts pending settlement was 103,000 involving canceled commitments of \$37,000,000,000.

Both industry and government are prepared to handle this volume of terminations. Organizations for contract settlement are available and have been supplemented with additional personnel. No major problems of policy and procedure have arisen since VJ-day.

Experience to date has been extensive. Of the 288,000 prime contracts involving \$62,-000,000,000 in canceled commitments terminated from the beginning of war production to date, 185,000 involving over \$25,000,-000,000 in canceled commitments have been settled.

The immediate goal of the Government is to settle the bulk of the canceled prime contracts by December 31. Progress toward this goal has already been made. During September, 2,900 prime contracts were settled with cost to the Government and 16,700 without cost. The total number settled was more than twice the number settled in August, the previous peak month.

gust, the previous peak month.

The immediate goal of industry should be to file claims rapidly and to settle canceled subcontracts by the end of the year.

Achievement of these goals by Government and industry will complete contract settlement for a large number of war contractors.

The rate of settling canceled commitments averaged \$1,000,000,000 per month during the quarter. The volume of terminations made prior to VE-day was not large enough to support a high settlement rate. Furthermore, with victory over Japan, contract settlement was interrupted in August and early September to place the maximum effort upon the more pressing problems of effecting terminations and reconverting to civilian production.

During the latter part of the quarter, contractors filed an increased volume of claims. If they continue to increase the volume of claims filed, the settlement rate can increase to \$4,000,000,000 or more in canceled commitments per month before January 1.

The soundness of the steps taken in advance of mass terminations has now been demonstrated. Preparation for contract settlement and confidence in policies and procedures have contributed to speedy reconversion.

Quick plant clearance has been possible even with mass terminations. In almost all cases, termination inventories and Government-owned plant equipment are being removed from plants within the 60 days prescribed by the Contract Settlement Act.

Only a small portion of industry's total funds is tied up in canceled contracts. It is estimated that the gross amount owed by Government under canceled contracts is less than \$3,500,000,000. The amount of industry's funds actually tied up is considerably less than this, however. Partial payments and T-loans outstanding totaled \$320,000,000. In addition, a large proportion of the \$1,900,000,000 outstanding in other Government-guaranteed loans and in advance payments is now being used to finance terminations rather than war production.

On September 30, the War Department had

On September 30, the War Department had the equivalent of 22,000 persons engaged in full-time contract-settlement work; the Navy Department had 4,800 persons engaged full time and 1,900 part time; the Maritime Commission, Reconstruction Finance Corporation, and Treasury Department had a total of 242 assigned full time and about 2,000 persons available for part-time work.

To date, both Government and industry have handled contract settlement well. Contractors have expressed their satisfaction. This Office has received few complaints. Only 21 appeals have been filed by contractors with the appeal board of this Office.

This Office expects the continued cooperation of contracting agencies and industry. Such cooperation has been the basis of success in contract settlement to date. It is the same as that which made possible our great war production. Its continuation will bring about complete attainment of the objectives of the Contract Settlement Act.

APPOINTMENT OF AMERICAN REPRESENTATIVES IN UNITED NATIONS ORGANIZATION

Mr. CONNALLY. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1580, Calendar 722, known as the United Nations Organization bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHITE. I should greatly regret to see that motion agreed to at this time. The proposed legislation is of importance and interests a great many Senators, and there is hardly a handful of Senators in the Chamber at this time.

Mr. CONNALLY. It is not my purpose to proceed any further with the bill this afternoon.

Mr. WHITE. Is the Senator willing to agree that the bill shall not be taken up for consideration and action before Monday?

Mr. CONNALLY. I will say to the Senator that personally I have no particular desire to press the bill, but this is only Tuesday, and it seems to me that to postpone action until Monday—

Mr. WHITE. As a practical matter, tomorrow is the day before Thanksgiving; the next day is Thanksgiving; and

the day after is the day following Thanksgiving. We shall see a complete exodus of Senators from nearby States during the next 3 days. It seems to me that there ought not to be forced on the attention of the Senate and pressed for consideration legislation of this importance at this time. About all I can do is to make the point of no quorum. I do not like to do that.

Mr. CONNALLY. Why will not the Senator allow the bill to be made the unfinished business? That does not mean that we must vote on it at once. I am sure that his group is resourceful enough to postpone action.

Mr. WHITE. Mr. President, if the Senator will further yield, I believe I was in the committee when the bill was ordered to be favorably reported to the Senate. I think I am personally kindly disposed toward it, and I expect to vote for it when the voting time arrives, but it seems unfair-I almost recall that word, but I shall let it stand-at this time, with such a small number of Senators present, to take action upon a piece of legislation which is of interest to many Senators. So far as I can immediately recall, there is now present only one member of the minority who is a member of the Foreign Relations Committee. I see present on the majority side only two members of the Foreign Relations Committee. It seems to me that Senators, having had no notice that this matter was to be presented at this time, ought to be g.ven consideration. I very earnestly appeal to the Senator from Texas not to press his motion and not to force this matter upon the consideration of the Senate at this time.

Mr. CONNALLY. I will say to the Senator that absent Senators are not without some notice.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHERRY. Several Senators have come to me and asked if any important business was to be transacted during the Thanksgiving period. Not long ago I took the question up with the Senate leadership. At that time the bill was not on the calendar, and there did not seem to be any objection to adjourning over Thanksgiving. If we are to take up the bill tomorrow, we must have time to get Senators back here. Several Senators have left, to be absent over Thanksgiving.

Mr. CONNALLY. It is not my purpose to compel any Senator to return.

Mr. WHERRY. I understand.

Mr. CONNALLY. Senators who live near Washington have the advantage of being able to go home for Thanksgiving, and frequently for week ends.

Mr. WHERRY. The Atomic Energy Committee has left. The Senator from Michigan [Mr. Vandenberg] has left, as has the Senator from Virginia [Mr. Byrn].

Mr. CONNALLY. I do not like to proceed in the absence of the Senator from Michigan.

Mr. WHERRY. I join with the minority leader in asking if the distinguished Senator will not let the bill go over until Monday.

Mr. CONNALLY. What is the objection to letting it be made the unfinished business?

Mr. WHERRY. In that event I shall have to send telegrams to absent Senators, because if it is made the unfinished business it may be the business for tomorrow.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TAFT. I think that unless the Senator is willing to agree that the bill will not be taken up until Monday, we shall have to make the point of no quorum, and discuss the question. I had no notice of any intention to take up the bill today. I do not believe that the minority leader had such notice. I do not know about the senior Senator from Michigan. He may have had notice, but he did not tell us so before he left. He will not be present tomorrow. Friday is a very unsatisfactory day to begin the consideration of a matter so important as this. I believe that if the Senator will talk with the leaders, they will be willing to make the session on Friday a purely formal session, with no business to transact. If that is the understanding, it is perfectly agreeable to me to have the bill made the unfinished business now

Mr. CONNALLY. That is exactly what must be done, because we must meet again before Monday. We cannot adjourn from today until Monday, so we must meet one day between now and Monday.

Mr. President, I am not trying to press this matter. In justification of my motion, let me say that for a week or ten days I have had an agreement with the leadership on this side. When the reorganization bill was under consideration. it was understood that when consideration of that bill had been concluded, the United Nations Organization bill would be taken up. I gave way to the Appropriations Committee for the consideration of the rescission bill. I am not pressing the matter now; but let me say to Senators that the United Nations Organization will be in being rather soon. and I am anxious that we settle the matter of representation at the earliest possible moment. I am not trying to drag any Senators back here. I should particularly like to have the Senator from Michigan [Mr. VANDENBERG] present, because he was in the conference at San Francisco. I should like to have all other Senators present. However, Senators know that we cannot keep Senators in the Chamber when they are in the city. Today we had a discussion on a very important matter, and only about 15 Senators were present. We cannot drag them here, and we cannot keep them here after we get them here.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TAFT. The vote showed that apparently only 63 Senators are in the city. This is a matter of overwhelming importance

Mr. CONNALLY. What does the Senator wish to do?

Mr. TAFT. I should like to have the Senator, in cooperation with the major-

ity leadership, agree that if the bill is made the unfinished business the Senate will adjourn until Friday, and that the session on Friday will be purely a formal session, at which we shall not be required to debate this particular measure. Is that a possible understanding?

Mr. CONNALLY. I shall have to debate it a little while longer. How would it suit récalcitrant Senators (laughter) to agree to make the bill the unfinished business, and then lay it aside tomorrow for the call of the calendar? Then, presumably, the Senate will adjourn until Priday, and probably from Friday until Monday.

Mr. TAFT. Mr. President, will it be necessary to meet tomorrow?

Mr. WHITE. Will not the Senator strike the word "probably" from his reference to having the Senate take a recess from Friday until Monday?

Mr. CONNALLY. I am not the leader, and I wish to consult the leader. I understand the leader wishes to have the Senate take up the calendar tomorrow; that is my impression.

Mr. WHITE. I am more interested in having consideration of the legislation referred to postponed.

Mr. CONNALLY. Mr. President, if any other Senator wishes me to yield to him, I shall be glad to yield.

Mr. WHITE. I am more interested in what the Senator from Texas is going to say.

Mr. CONNALLY. The Senator from Maine knows that I am not inclined to be disregardful of the wishes of other Senators.

Mr. WHITE. Yes, Mr. President; I have always found the Senator to be most courteous.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the distinguished Senator from Nebraska.

Mr. WHERRY. Let me suggest that the Senate take a recess until Friday, take up the calendar on Friday, and then proceed on Monday to consider the United Nations Organization bill.

Mr. CONNALLY. Mr. President, if the Senator will permit me to do so, I should like to state that I just made that suggestion internally, and I am now trying to connect with the telephone, to see if it will be agreeable to follow that course.

Mr. WHERRY. I thank the Senator. If that can be done, that will be satisfactory.

Mr. CONNALLY. I must consult the majority leader.

Mr. HILL. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. HILL. Since there seems to be quite a good deal of opposition to having the Senate proceed now to consider the United Nations Organization bill, I wonder if it will be agreeable to have the Senate consider at this time the hospital bill, if it develops that it is not possible now to have the Senate take up the United Nations Organization bill.

Mr. WHERRY. Mr. President, to the suggestion that the Senate take up the hospital bill—and I realize it is important, too—I offer the same objection that we have made to having the Senate take

up the bill referred to by the distinguished senior Senator from Texas. I am satisfied that my distinguished colleague from Alabama will agree with me that because of the fact that we are now entering the Thanksgiving period and inasmuch as several Senators have already left the city, certainly before considering those two important measures or any other important measures we should at least give the absent Senators a chance to be in their seats in the Senate Cham-If that opportunity is given, then if only a handful of Senators are present in the Chamber when the bills which have been mentioned are considered no objection will be made on that score. But several Senators already have left the city. The atomic-bomb Senatorsthe Senators on the Atomic Bomb Committee-have gone. We all know about that.

Mr. O'MAHONEY. Mr. President, I object. There are a lot of atomic-bomb Senators remaining. [Laughter.] Mr. WHERRY. The Senator's objec-

tion is well taken. There are a lot of buzz-bomb Senators here, too, and a lot more of them will be here after the Thanksgiving period. [Laughter.] wish to give them a chance to return to the Senate Chamber before such measures are considered, and I think we should give them a chance to do so.

Mr. HILL. Mr. President, does the Senator feel that they should be here when the hospital bill is considered?

Mr. WHERRY. I certainly do.

Mr. HILL. Then the Senator is saying that the Senate cannot take up any legislation of consequence until Monday.

Mr. WHERRY. I should like to suggest to the able whip of the majority party that we did everything we could do to find out whether any important legislation was to be taken up today, or before Monday; but up until this morning we could not find out anything about the program. I am just as anxious as is any other Senator on either side of the aisle to have the Senate take up such I agree with the statement which has frequently been made that Senators should be in their seats and should not be absent. But certainly if there is ever an excuse for a Senator to be absent at any time, it is over Thanksgiving Day.

Senators desire to be in the Chamber when important bills are considered. If there is any desire to have the bills referred to taken up now, the Senators who have left the city will have to be brought

back.

Mr. CONNALLY. Mr. President, the Senator is advancing a new doctrine. I have heard about absentee landlordism in Europe in past years, and evidently the Senator's idea is to let absenteeism run the Senate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield. Mr. WHERRY. The Senator well Mr. WHERRY. The Senator well knows that I do not advocate that. I have helped obtain the attendance of quorums in the Senate for the Senator from Texas in connection with the consideration of some important legislation.

Mr. CONNALLY. I thank the Senator. Mr. WHERRY. Of course I have.

Mr. CONNALLY. I ask the Senator to wait a moment; he is speaking in my time.

Mr. WHERRY. The Senator from Texas yielded to me, and I am merely commenting on the observation the Senator made. I say that it is not a new doctrine.

Mr. CONNALLY. I yield again. Mr. WHERRY. I think when a bill so important as is the bill which has been referred to is ready to be considered by the Senate, notice should be given by the majority leader as to when it is to be taken up, so that Senators on both sides of the aisle may be advised.

I have worked along with the majority leader. I think he is a fine leader, and I am very happy to work with him. I realize that it is not always possible to tell when measures will come up for consideration by the Senate; but I think if the majority leader were here at this time he would be entirely agreeable to consenting to the request I have made, namely, that if there is a desire to have the Senate consider the hospital bill and any other bill, let them be taken up on Monday.

Mr. CONNALLY. I thank the Senator, and I do not wish to ride roughshod over his suggestion. I pay him the compliment that he is always here.

Mr. WHERRY. Of course I am.
Mr. CONNALLY. I simply say the Senate should not be run by absentees. The Constitution contemplates that the business of the Senate will be conducted in this Chamber, not in a Pullman car or in a fishing lodge or in a night club in New York.

Mr. BUTLER. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield. Mr. WHERRY. Just a moment, Mr. President; I wish to say that the Senators to whom I have referred have not gone to night clubs in New York.

Mr. WHITE. Of course they have not. Mr. CONNALLY. Mr. President, I think I shall be able to ease the agitation of several Senators. Although I promised to yield to the Senator from Nebraska, I ask if he will permit me to continue for a moment?

Mr. BUTLER. Of course.

Mr. CONNALLY. I have arrived at a solution of this very difficult and knotty question, I say to the Senator.

Mr. BUTLER. If the Senator from Texas wishes to make a statement, even though he did yield to me, of course that will be satisfactory.

Mr. CONNALLY. Very well. I shall do that.

Mr. President, I move that Senate bill 1580, the United Nations Organization bill, be made the unfinished business, with the understanding that the Senate will recess from today until Friday, and that on Friday the calendar will be called, and then presumably the Senate will take a recess until Monday.

In the meantime, Mr. President, I hope the minority whip and my distinguished friend, the Senator from Maine, the minority leader, will notify the Senators on their side of the aisle that the United Nations Organization bill will be taken up on Monday. If they find that they are not able to notify the Senators on their side of the aisle, if they will give me the names of those who are absent I will notify them that the bill will be taken up on Monday. Of course, they have known all the time that the bill was on the calendar. They have known all the time, informally, that we were going to take it up just as soon as the other bills were out of the way.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield. Mr. WHERRY. I will see to it that Republican Senators are here, and let the Senator from Texas take responsibility for the Senators on his side of the aisle.

Mr. WHITE. Mr. President, let me say that the minority Members always read what the Senator from Texas has to say, if they do not happen to be in the Senate Chamber to hear him, and they will take notice of what he has to say with respect to the program.

Mr. CONNALLY. I thank the Senator from Maine. He is always very generous and kind, very affable and suave, and I wish I possessed some of his quali-

Mr. HILL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HILL. I simply wish to say that as soon as possible after final action is taken on the United Nations Organization bill, I shall make every possible effort to have the Senate consider the hospital bill.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield. Mr. TYDINGS. I hope the Senator, before taking up the hospital bill, will permit the Philippine rehabilitation bill to be considered. I do not believe consideration of that bill will take long, because it comes from the committee with a unanimous report in its favor. But for the very obvious reason that the Philippines are in desperate straits, and inasmuch as consideration of the bill will not take long, I hope that before the Senator commits himself finally to the program which has been suggested, he will give us a chance to have the Philippine rehabilitation bill considered. I do not believe its consideration will consume more than a few hours at the utmost, if any length of time at all.

Mr. HILL. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. HILL. Let me say to the Senator from Maryland that I shall be delighted to cooperate with him in that respect. I simply wish to have Senators know that I intend to make every possible effort to have the hospital bill taken up promptly, and I do not wish to have us find ourselves in the position in which we are today, with Senators asking that consideration of a certain bill go over.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. WHERRY. I deeply appreciate the Senator's statement. If we could have statements similar to that one from the majority leader or the majority

whip—namely, that an effort will be made to take up certain bills—it would be very helpful to those of us on this side of the aisle. The fact that the announcement has been made indicates that we shall have real sessions from now on.

Mr. HILL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HILL. I wish to say that the distinguished Senator from Kentucky [Mr. Barkley], the majority leader, always tries to be thoughtful of the Senate.

Mr. WHERRY. That is correct.

Mr. HILL. He always tries to give as much notice as possible about the bills which are to come up and he always tries to say when they are going to come up.

Mr. WHERRY. That is correct.

Mr. HILL. For instance, yesterday, after action was completed on the reorganization bill, which had been before the Senate for approximately 10 days, it was understood that the appropriations rescission bill would be considered by the Senate today, if possible. Of course, appropriation bills have the right of way. But the distinguished majority leader certainly makes every effort to give the Senate notice and to keep the Senate advised regarding the time when bills will come up and concerning the business to be transacted by the Senate.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TYDINGS. I should like to say to the Senator from Alabama that I have already mentioned this matter to the majority leader, the Senator from Kentucky, and he asked me to try to have the bill ready for consideration next Monday, should opportunity offer itself for its consideration.

I hope that the Senator from Nebraska and the Senator from Maine will cooperate in having the bill taken up, as I believe they will—

Mr. WHERRY. We will.

Mr. TYDINGS. Because they all realize that rehabilitation is very vital to the 18,000,000 people of the Philippine Islands.

Mr. WHITE. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. WHITE. I wish to associate myself with what the Senator from Alabama has said concerning the majority leader. I acknowledge a very great debt of appreciation to him for the courtesies and the kindness he shows me from day to day throughout the sessions. I appreciate, too, something of the difficulties which confront him as majority leader. I know perfectly well that he cannot from day to day inform us with certainty of the program, because the program changes with almost every change of the wind. I think the majority leader endeavors at all times to be courteous to those of us on this side of the aisle. I simply wish to say that much, so that it may not be thought that either I or the Senator from Nebraska or any other Senator on this side of the aisle feels critical of or unkind toward the majority leader.

Mr. WHERRY. That is correct.

Mr. CONNALLY. Mr. President, I have moved that the Senate proceed to the consideration of Calendar No. 722, Senate bill 1580.

The PRESIDING OFFICER. The bill will be stated by title for the information

of the Senate.

The CHIEF CLERK. A bill (S. 1580) to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization.

The PRESIDING OFFICER. The question is on the motion of the Senator

from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

FINANCIAL CONTROL OF GOVERNMENT
CORPORATIONS

Mr. BUTLER. Mr. President, from the remarks which have recently been made on the floor of the Senate with reference to the legislative program for the next few days, it is quite apparent that the calendar will be called at the next session of the Senate. On the calendar there is order No. 698, House bill 3660, which received the unanimous vote of the House of Representatives. It was considered by the Senate Committee on Banking and Currency, and was unanimously reported to the Senate. A similar bill is known as Senate bill 469, the Byrd-Butler bill, with reference to the financial control of Government corporations.

In view of the fact that the calendar is later to be called, I believe it would be interesting and perhaps helpful to those who may wish to inform themselves thoroughly with regard to the bill, to have in the Record as of today some remarks which I had intended to make in connection with the presentation of the bill when it is reached on the calendar. Therefore I ark unanimous consent that a statement which I had prepared be printed in the Record at this point as a part of my remarks.

In this connection, I may state that several departments of the Government, particularly the Comptroller General, the Bureau of the Budget, and the Treasury, have cooperated most helpfully in writing the bill, in assisting to obtain favorable action on it by the other House, and in having it reported to the Senate. I wish especially to pay my compliments and respect to Comptroller General Lindsay Warren for the great amount of labor which he and his associates performed in connection with the bill.

Mr. HILL. As I understand, the distinguished Senator from Nebraska has merely requested to have his remarks in the nature of a statement appear in the Record following the remarks he has already made in explanation of the bill. Mr. BUTLER. That is correct.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FINANCIAL CONTROL OF GOVERNMENT CORPORATIONS

(Statement of Hon. HUGH BUTLER, of Nebraska, in the Senate of the United States) Mr. President, in the Byrd-Butler-Whittington bill, H. R. 3660, providing for financial control of Government corporations, we are dealing with a measure which has been strongly endorsed by the President of the United States in the following correspondence:

THE WHITE HOUSE, Washington, June 11, 1945.

Hon. ABE MURDOCK,

Chairman, Subcommittee on Banking and Currency, United States Senate, Washington, D. C.

My Dear Senator Murdock: By direction of the President I am sending you herewith a copy of his letter to the chairman of the House Committee on Expenditures in the Executive Departments endorsing the Byrd-Butler bill.

Sincerely yours,

CHARLES G. Ross, Secretary to the President.

THE WHITE HOUSE, Washington, June 11, 1945.

Hon. CARTER MANASCO,

Chairman, Committee on Expenditures in the Executive Departments, House of Representatives, Washington, D. C.

MY DEAR MR. MANASCO: I am writing this note to eliminate any misunderstanding as to my attitude on the Byrd-Butler bill which is now before your committee as H. R. 2177.

I heartily favor this proposal. It is a long-delayed, forward step applying the sound doctrine of an executive budget, as enacted in the Budget and Accounting Act of 1921, to the many important Government corporations which have since come upon the scene.

Sincerely yours,

HARRY S. TRUMAN.

This legislation has been called the most outstanding in its field since enactment of the Budget and Accounting Act in 1921. The authority for that statement is Congress' own agent, Lindsay C. Warren, Comptroller General of the United States.

This bill covers 101 separate corporations. While one of them, the Panama Railroad Company, is nearly 100 years old, and a few date back to World War I, most are products of the economic and war emergencies of more recent years. On June 30, 1945, these cor-porations had total assets of \$29,400,000,000, and the Government had \$13,200,000,000 invested in them. Such funds were being employed in vast lending, financing, and insurance operations; in the generation and trans-mission of electric power; in manufacturing and commerce; in rail and water transportation; in subsidy programs; and in countless other activities. Most of us are familiar with the larger corporations such as Reconstruction Finance and Commodity Credit, and with some of their operations, but even the names of all of them would be beyond the average citizen's fund of information. The bill is not aimed at any particular corpora-tion or group of corporations, but it subjects all of them to the financial controls nece sary to coordinate their operations with the over-all fiscal policy of the Government.

My interest in this subject was aroused more than 2 years ago, when I was preparing for my trip to Latin America. I was requested by both the Byrd and Truman committees to look into programs of Government organizations, including corporations, in that part of the world. I had scarcely obtained a list of Government corporations before one of them called me by telephone and asked where I had found out about them, because they were supposed to be secret. I kept their secret, but the situation intrigued me.

On February 1, 1943, I had introduced Senate Concurrent Resolution 8, calling for the Joint Committee on Reduction of Nonessential Federal Expenditures—the Byrd committee—to investigate Government credit

agencies, many of which are in corporate form. The Byrd committee made a complete study of Government corporations, in which I cooperated, though not then a member of the committee. In August 1944 the commit-tee filed its Report on Government Cor-porations. Following publication of that report as Senate Document No. 227, Seventyeighth Congress, discussions took place be tween the staffs of the committee and of the General Accounting Office, Bureau of the Budget, and Treasury Department, as to the best means of giving effect to the recom-mendations of the report for establishing over-all control of Government corporations by the Congress and the President through the established fiscal agencies of the Government. My participation in those discussions increased my knowledge of the ramifications of this corporate branch of the Government and strengthened my conviction that some legislative means must be found of applying financial controls to the corporations in a manner suited to their programs and statutory functions.

LEGISLATIVE HISTORY

The result of all these studies was the introduction in the Senate on February 5, 1945. of the Byrd-Butler bill, S. 469. I am proud to have been coauthor of that bill with Senator Byrn, who is to be commended for the effort he has expended and the results he has already achieved in this field. After hearings on S. 469 before a subcommittee of the Senate Committee on Banking and Currency, further conferences took place among all the parties concerned with the aim of removing any valid objection of the corpora-tions to the rather stringent provisions of the original bill.

Meanwhile, bills H. R. 2051 and H. R. 2177, identical to S. 469, had been introduced in the House by Representative Case of South Dakota and Representative Whittington. When the House Committee on Expenditures commenced hearings on the Whittington bill, H. R. 2177, both Senator Byrn and I appeared. as we had before the Senate subcommittee, in support of the legislation. The bill S. 469, as tentatively revised to me't the corporations' objections, was offered to the House committee and made the starting point for its further action, resulting in the introduction of this superseding bill, H. R. 3660, by Representative Whittington. The House passed the bill unanimously September 12, 1945.

PURPOSES

Control of the public purse is one of the most important prerogatives of the Congress under our Constitution. That control has been virtually abdicated in the case of many Government corporations. This bill is intended to provide annual scrutiny and current financial control by the Congress of the financial transactions and operations of Government corporations. The bill provides for an annual business-type budget for each wholly-owned Government corporation, to be submitted to the President through the Bureau of the Budget and transmitted by him to the Congress as a part of the annual Budget. It provides for an annual commer-cial-type audit of Government corporations by the Comptroller General and a report by him to the Congress of their operations, financial condition, and compliance with law. It requires the Secretary of the Treasury to approve the depositaries, financing, and Government security transactions of Government corporations, with certain qualified exemptions

The provisions of the revised bill should remove any fear on the part of any Government corporation that it is to be put in a strait-jacket, but should also make it plain that it is the policy of the Congress to establish and maintain over the corporations the kind of fiscal control suitable to their activities. That policy has the support of the Comptroller General of the United States.

the good right arm of Congress, who was the first witness aside from the authors of the bill at the hearings. It has the support of the Director of the Bureau of the Budget, the equally good right arm of the President, who also testified at the hearings. Likewise, at the House hearings in May 1945. Treasury Department representatives appeared in support of the bill.

The Budget provisions of the bill do not apply to mixed-ownership corporations, that is, those in which a part of the capital stock is owned by the United States and a part by others. The audit and Treasury provisions do apply to the mixed-ownership corporations as long as the Government has capital invested in them.

CORPORATIONS UNDER BILL

The following corporations are specifically named in the bill as subject to its provisions: WHOLLY OWNED GOVERNMENT CORPORATIONS

1. Commodity Credit Corporation.

- 2. Federal intermediate credit banks (12 banks).
- 3. Froduction credit corporations (12 corporations).
- 4. Regional agricultural credit corporations (1 still in operation).
 5. Farmers Home Corporation.

- Federal Crop Insurance Corporation. Federal Farm Mortgage Corporation.
- Federal Surplus Commodities Corporation.
 - 9. Reconstruction Finance Corporation.
 10. Defense Plant Corporation.
 11. Defense Supplies Corporation.

 - Metals Reserve Company.
- Rubber Reserve Company.
- War Damage Corporation.
- Federal National Mortgage Association. 15.
- The RFC Mortgage Company.
- Disaster Loan Corporation.
- Inland Waterways Corporation. 19
- Warrior River Terminal Company.
- The Virgin Islands Company.
 Federal Prison Industries, Inc.
- 2. United States Spruce Production Cor-
- 23. Institute of Inter-American Affairs. 24. Institute of Inter-American Transportation
- 25. Inter-American Educational Foundation, Inc.
- 26. Inter-American Navigation Corporation.
 - 27. Prencinradio, Inc.

 - 28. Cargoes, Inc. 29. Export-Import Bank of Washington.
 - Petroleum Reserves Corporation.
 - 31. Rubber Development Corporation.
- 32. U. S. Commercial Company. 33. Smaller War Plants Corporation. 34. Federal Public Housing Authority (or
- United States Housing Authority) and including public housing projects financed from appropriated funds and operations thereof.
- 35. Defense Homes Corporation.
- 36. Federal Savings and Loan Insurance Corporation. 37. Home Owners' Loan Corporation.
 - 38. United States Housing Corporation. 39. Panama Railroad Company.
- 40. Tennessee Valley Authority. 41. Tennessee Valley Associated Coopera-
- tives, Inc.

MIXED-OWNERSHIP GOVERNMENT CORPORATIONS

- 1. Banks for cooperatives (1 central bank
- and 12 regional banks). 2. ederal land banks (12 banks)
- Federal home loan banks (12 banks) 4. Federal Deposit Insurance Corporation.

BUSINESS-TYPE BUDGET

I have repeatedly assured the corporations, as one of the original sponsors of this legislation, that it was not our purpose to hamper their programs, but that we were aiming at a uniformity, system, and coordination which is lacking in the present situation. Accordingly, the budget provided by this bill for wholly owned Government corporations is to be a business-type budget or plan of operations, with due allowance for the need for flexibility, in order that the corporation may properly carry out its activities as au-thorized by law. The business-type budget will differ from the administrative-type budget required for regular Government departments, and the Director of the Bureau of the Budget will need to accumulate and apply experience in the development of the budget programs. The bill specifies certain minimum statements deemed essential for the information of the Congress. Such statements will show the financial condition and the results of operations of the corporation for the last completed fiscal year, with estimates for the current and ensuing years, and will include estimates of operations by major types of activities, estimates of administrative expenses, estimates of borrowings, and estimates of the amount of Government capital to be returned to the Treasury or of appropriations needed to restore capital impairments.

Upon receipt of the budget programs, as modified or revised by the President in accordance with his recommended program for the entire Government, the Congress would enact whatever legislation it deemed necessary making available to the corporation such funds or other financial resources as it may determine. Both the House and Senate committees in reporting on this legislation have called attention to the need for discretion in determining the type and nature of the limitations to be placed on the corporations' financial activities, bearing in mind the need for flexibility in many of their opera-tions and the statutory responsibilities of such agencies. This bill will require the wholly owned corporations to pass in review before the Congress each year and will give the Congress an opportunity to control their budget programs in the manner and to the extent considered appropriate without preventing them from carrying out and financing their activities as authorized by existing

The Reconstruction Finance Corporation. largest of all Government corporations, has signified its agreement with the principle that Congress should have an opportunity annually to scrutinize and pass upon the activities of such corporations and its willingness to undertake to operate under the budget features of this legislation. To say that there is no practicable way in which Congress can get a look at the financial plans of these corporations would be tantamount to admitting that Congress has created something bigger than itself and beyond its control

COMMERCIAL-TYPE AUDIT

All Government corporations are already subject to audit by the Comptroller General as the agent of the Congress, under section 5 of the George Act, Public Law 4, approved February 24, 1945. Since this bill is to be the fundamental law on financial control of Government corporations, it includes in slightly modified form the audit provisions of Public Law 4.

The audit provisions of this bill are effective with the first governmental fiscal year commencing after enactment of the bill. They require an audit of the financial transactions of wholly owned Government corporations, and of mixed-ownership corporations for any period during which Government capital has been invested therein. The audit is to be conducted by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions. A report of each such audit for each fiscal year is to be made by the

¹ Several of the corporations listed are in various stages of liquidation and dissolution.

Comptroller General to the Congress by the 15th of the following January.

15th of the following January.

Such report must set forth the scope of the audit and include the usual financial statements. It must also include such comments and information as necessary to keep Congress informed of the operations and financial condition of the corporation, and any pertinent recommendations the Comptroller General may have. The report is expressly required to set forth any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, is unauthorized by law. Copies of the audit reports are to be furnished to the President, the Secretary of the Treasury, and the corporation at the time of submission to the Congress.

The scope and extent of the audits and the manner in which they are conducted will conform to generally accepted practices and procedures followed in independent audits of commercial, industrial, and financial institutions, as applied by the Comptroller General. Just as in the case of the businesstype budget, the commercial-type audit is better suited than the regular governmental type to the operations of a Government corporation. Generally speaking, the purpose of the governmental type of audit is to determine the validity of expenditures under appropriations made by the Congress and to insure compliance with the restrictions placed by the Corgress on such expenditures. The governmental audit is a part of a system designed to enforce the personal accountability of officers authorizing or expending such funds upon the basis of documents ordinarily transmitted to the General Accounting Office and retained in its custody. On the other hand, the commercial type of audit is separate and distinct from the corporation's accounting system and in-ternal financial controls. It is designed to determine the financial condition and results of operations of the corporation. Such determinations are made through examination of the corporate records at the places where they are normally kept in the conduct of the business.

The audit provisions of the bill will insure an independent audit of the corporations by the Comptroller General as the agent of the Congress. If the audit is to be truly independent and informative to the Congress, the Comptroller General must not be restricted or hampered in going into the financial affairs of the corporations. However, to avoid unnecessary duplication of audits in cases where corporations are required by law to be examined by a supervising administrative agency, such as the Farm Credit Administration, as a part of its system of supervision and regulation, the bill requires the Comptroller General in making his audits to utilize reports of such examinations to the fullest extent deemed by him to be practicable.

Other audit provisions of the bill apply to the audits to be made thereunder certain administrative provisions of the First Deficiency Act of 1945 concerning the audit of all Government corporations under the George Act.

The audit reports should be helpful to the Congress when considering the Budget programs of wholly owned corporations. They will keep the Congress informed of the financial activities and financial condition of those mixed-ownership corporations in which Government capital is invested, and will thus aid in protecting the Government's interest as part owner. They will also be of assistance to the executive branch in its fiscal-management problems.

TREASURY FISCAL CONTROL

The bill includes requirements relating to the selection of depositaries and the financing of Government corporations, as well as to their dealings in Government or Government-guaranteed obligations. Such requirements are intended to coordinate these important financial activities with the general financial program of the Government.

As to depositaries, the bill requires that the corporations' banking or checking accounts be kept with the Treasurer of the United States or, with the approval of the Secretary of the Treasury, with a Federal Reserve bank or a bank designated as a depositary or fiscal agent of the United States. Certain exemptions from and waivers of this requirement are provided for, including an exemption of several types of farm-credit institutions having a close relationship with local farmer-borrower associations subject to a requirement that such institutions report their depositaries to the Secretary of the Treasury annually. Upon receiving such reports, the Secretary is empowered to make written reports to the corporation, the President, and the Congress if he deems it advisable.

With respect to financing, the bill provides that obligations of the corporations offered to the public shall be in such forms and denominations, shall have such maturities and rates of interest, and in certain other respects shall be as approved by the Secretary of the Treasury. Also, it requires Treasury approval of the sale or purchase by a Government corporation, for its own account and in its own right and interest. of direct obligations of the United States or obligations guaranteed by the United States, in amounts in excess of \$100,000 at any one time. In lieu of applying these financing and security provisions to certain farm-credit institutions, the bill requires those institutions to continue their present policy of consulting with the Secretary of the Treasury prior to taking action, and permits the Secretary, in the event an agreement is not reached, to report the reasons for his disagreement to the corporation, the President, and the Congress. In the event Gov-ernment capital is entirely withdrawn, the corporation will not be subject to these Treasury fiscal controls.

MISCELLANEOUS PROVISIONS

It came to light during the hearings on this bill that 18 of the corporations which the bill seeks to control were chartered, in some instances without express advance authority of the Congress, in a State or local jurisdiction. If the Federal Government needs to employ the corporate form for its activities, it does not need to go into a State and organize the corporation under State law, with resulting confusion and complications. It has sufficient facilities for creating corporations solely responsible to it. The bill provides that no Government corporation shall be created hereafter by any Federal officer or agency except by an act of Congress or pursuant to an act specifically authorizing such action. It further provides that no wholly owned Government corporation created by or under the laws of any State, Territory, or possession the United States, or of the District of Columbia, shall continue beyond June 30, 1948, as a Government agency, but permits the reincorporation of any such corporation prior to that date by a specific act of Congress. There are no State-chartered corporations among the mixed-ownership group.

Another point worthy of comment is the large amount of Government capital at the disposal of these corporate enterprises, often without any limit on the period of use thereof or any specific requirement as to the disposition of such funds when no longer needed. The bill provides for such situations by directing that the annual budget program of wholly owned corporations include estimates of the amount of Government capital funds to be returned to the Treasury, and that the President include in the annual Budget recommendations as to such return of capital by mixed-ownership corporations. It also requires the audit reports of the Comptroller

General to make recommendations in such matters. With these recommendations at hand the Congress will be able to act to prevent any Government corporation from tying up funds no longer needed by it.

Finally the bill furnishes a means of handling the financial affairs of Government corporations whose activities do not require the autonomy and flexibility characteristic of the corporate form, but could just as well be carried on as regular governmental activities. In such case, when recommended by the Director of the Bureau of the Budget and approved by the President and the Congress, the corporation is to be regarded as a regular Government establishment for the purposes of the Budget and Accounting Act and other laws relating to fiscal matters.

All of these miscellaneous provisions are in furtherance of the general policy of congressional coordination and control of the corporate activities of the Government.

SUMMARY BY SECTIONS

Section 1 provides that the act may be cited as the "Government Corporation Control Act."

Section 2 declares it to be the policy of the Congress to bring Government corporations and their transactions and operations under annual scrutiny by the Congress and provide current financial control thereof.

TITLE I-WHOLLY OWNED GOVERNMENT

Section 101 enumerates the wholly owned Government corporations covered by this title. This includes 41 separate corporations or groups of corporations, which is increased to 63 if each corporation included in a group, i. e., Federal intermediate credit banks and production credit corporations, is counted individually.

individually.

Section 102 provides for the submission of an annual budget program by each wholly owned Government corporation to the President through the Bureau of the Budget on or before September 15. The Bureau of the Budget, under such rules and regulations as the President may establish, is authorized and directed to prescribe the form and content of, and the manner in which such budget program shall be prepared and presented. Such budget program is to be a business-type budget or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the corporation may prop-erly carry out its activities as authorized by The section requires the submission of the usual corporate financial statements on a comparative basis for the last completed fiscal year, with estimates for the current fiscal year and the ensuing fiscal year. Such statements are to include estimates of operations by major types of activities together with estimates of administrative expenses, estimates of borrowings, and estimates of the amount of Government capital funds to be returned to the Treasury during the fiscal year, or the appropriations required to provide for the restoration of capital impairments.

Section 103 authorizes the President to modify, amend, or revise the corporations' budget programs submitted to him and directs him to transmit the revised budget programs to the Congress as a part of the annual budget required by the Budget and Accounting Act, 1921. It also authorizes amendments to the annual budget programs to be submitted from time to time.

Section 104 provides for the consideration by the Congress of the budget programs and the enactment of legislation, if necessary, making available such funds or other financial resources as the Congress may determine. Such programs would be referred to the House Committee on Appropriations and, after hearings, be reported to the House, in the form of (1) simple authorizing legislation, showing that the Congress had considered and approved the budget program but not setting

a limitation on the corporate financial activities other than that provided by substantive law, or (2) legislation incorporating such specific limitations as necessary to enforce the will of Congress in the carrying out of the corporate financial activities or to conform such activities to the general financial program of the Government.

In cases where no other law required a congressional authorization of expenditures, the corporation, if it had means of financing other than annual appropriations, could continue to operate in the absence of any action by Congress on its budget program. To insure that such legislation would not be used as a means of destroying any Government corporation or preventing it from carrying out and financing its authorized activities, this section includes a specific provision that it shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law. section also provides specifically that no provision thereof shall be construed as affecting in any way the provisions of section 26 of the Tennessee Valley Authority Act, as amended. This language preserves intact the right of the Tennessee Valley Authority to utilize its receipts in carrying out certain operations and business activities as authorized under present law.

As to the lending corporations, such as the Federal intermediate credit banks and production-credit corporations, the provisions of this section would not change the fundamental authority of the corporations under existing law, in respect to their financing, their administrative management and control, or their lending operations. It would require an annual review of all their operations by the President and the Congress, with the right, if necessary in the public interest, to set limitations on expenditures.

Section 104 includes a further provision to make it clear that the existing authority of wholly owned Government corporations to make contracts or other commitments without regard to fiscal year limitations is not affected. This provision was included to meet the objection of certain corporations that the enactment of H. R. 217 in its original form would place them completely on a fiscal-year basis and interfere with their flexibility of operation and with the making of long-range contracts under authority of law.

Section 105 provides for an audit of the financial transactions of wholly owned Government corporations by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be pre-scribed by the Comptroller General of the The audit is to be conducted United States. at the place or places where the accounts of the corporations are normally kept. The representatives of the General Accounting Office are to have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belong-ing to or in use by the corporations and nec-essary to facilitate the audit, and are to be afforded full facilities for verifying transactions with balances or securities held by depositaries, fiscal agents, and custodians. The audit is to begin with the first fiscal year commencing after the enactment of the

This section also includes a provision authorizing the Comptroller General to coordinate his audit of the financial transactions of the corporations under this bill with the audit which he is required to make in certain cases under other provisions of law for the purpose of settling the accounts of officers handling corporate funds.

Section 106 requires the Comptroller General to make a report of the audit for each fiscal year to the Congress not later than the following January 15. This section re-

quires the report to set forth the scope of the audit and specifies financial statements to be included therein. It also calls for the Comptroller General to include in his report such comments and information as may be deemed necessary to keep Congress informed of the operations and financial condition of the corporation, together with such recommendations as the Comptroller General may deem advisable, including a report of any impairment of capital noted in the audit and recommendations for the return of such Government capital or the payment of such dividends as in his judgment should be accomplished. The report is also required to show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each such report is to be furnished to the President, to the Secretary of the Treasury, and to the corporation concerned at the time submitted to the Congress.

Section 107 permits the Director of the Bureau of the Budget, with the approval of the President, to make recommendations as to those activities carried on by a wholly owned corporation which could be handled in the same manner, insofar as concerns fiscal matters, as those of a regular agency or establishment of the Government. In the event that Congress concurred, such activities would thereafter be carried on in accordance with the requirements of the Budget and Accounting Act, 1921, and other provisions of law relating to fiscal matters.

TITLE II—MIXED-OWNERSHIP GOVERNMENT CORPORATIONS

Section 201 defines mixed-ownership corporations to include (1) the Central Bank for Cooperatives and the regional banks for cooperatives, (2) Federal land banks, (3) Federal home-loan banks, and (4) Federal Deposit Insurance Corporation.

Section 202 requires the financial transactions of mixed-ownership Government corporations for any period during which Government capital has been invested therein to be audited by the General Accounting Office in the same manner as applicable to wholly owned Government corporations under the provisions of section 105

der the provisions of section 105.

Section 203 requires the Comptroller General to make to the Congress a report of each such audit for each fiscal year, of the same type, at the same time, and in the same manner as the reports required to be made by him pursuant to section 106.

Section 204 directs the President to include in the annual Budget any recommendations he may have as to the return of Government capital to the Treasury by mixed-ownership corporations.

TITLE III-GENERAL PROVISIONS

Section 301 restates and applies to the audit to be conducted under sections 105 and 202 of this bill certain provisions of the First Deficiency Appropriation Act, 1945, approved April 25, 1945, authorizing appropriations to the General Accounting Office for the expense of audits; requiring reimbursement by the corporations to the General Accounting Office for the cost of such audits and deposit of the sums reimbursed into the Treasury as miscellaneous receipts; authorizing the employment of not more than 10 persons without regard to the Classification Act of 1923, as amended, and of professional services firms and organizations for temporary periods or special purposes without regard to section 3709 of the Revised Statutes; and prohibiting the use of funds of any Government corporation to pay the cost of any private audit of the financial records of the offices of such corporation, except the cost of such audits contracted for and undertaken prior to the date of said First Deficiency Appropriation Act, 1945.

This section also requires the Comptroller General in making the audits provided in sections 105 and 202 to utilize to the fullest extent deemed by him to be practicable reports of examinations of Government corporations made by a supervising administrative agency pursuant to law. It further provides that the audit in sections 105 and 202 shall be in lieu of any audit of the financial transactions of any Government corporation required to be made by the General Accounting Office for the purpose of a report to the Congress or to the President under any existing law. Under this last provision such audit would supersede, as of the first fiscal year commencing after the enactment of bill, the audit of all Government corporations now required to be made by the General Accounting Office under section Public Law 4, approved February 24, 1945.

Section 302 provides for the keeping of banking and checking accounts of all wholly owned or mixed-ownership Government corporations with the Treasurer of the United States, Federal Reserve banks, or depositaries designated by the Secretary of the Treasury subject to the proviso that the Secretary of the Treasury is authorized to waive the requirements of this section under such conditions as he may determine. The Federal intermediate credit banks, production-credit corporations, the central bank for coopera-tives, the regional banks for cooperatives, and the Federal land banks are exempted from the provisions of this section, except that these corporations are required to report annually the names of their depositaries to the Secretary of the Treasury, and that the Secretary of the Treasury may make a report in writing to the corporation, to the President, and to the Congress which he deems advisable upon receipt of any such annual report.

Section 303 provides that obligations of wholly owned or mixed-ownership Government corporations which are offered to the public shall be approved as to the form, denominations, maturities, interest rates, and other terms and conditions by the Secretary of the Treasury. This section prohibits the sale or purchase of any direct or guaranteed obligations of the United States by wholly owned or mixed-ownership Government corporations for their own account and in their own right and interest in excess of \$100,000 except by approval or waiver by the Secretary of the Treasury. The Federal intermediate credit banks, production-credit corporations, the Central Bank for Cooperatives, the regional banks for cooperatives, and the Federal land banks are exempted from the provisions of this section, except that these corporations are required to consult with the Secretary of the Treasury prior to taking any action covered by the provisions of this section. In the event of disagreement resulting from such consultations, the Secretary of the Treasury may make a report in writing to the Corporation, to the President, and to the Congress stating the grounds for his disagreement. This section also provides that any mixed-ownership Government corporation from which Government capital has been entirely withdrawn shall not be subject to the provisions of section 302 or of this section during the period such corporation remains Government capital.

The Secretary of the Treasury is authorized to exercise any of the functions vested in him by this section through officers or employees of any Federal agency designated by him, with the concurrence of the head of the agency concerned.

Subsection (a) of section 304 prohibits any corporation from being created, organized, or acquired hereafter by the Federal Government for the purpose of acting as an agency or instrumentality of the United States, except by an act of Congress or pursuant to an act of Congress specifically authorizing such section

Subsection (b) of section 304 requires all wholly owned Government corporations created by or under the laws of any State, Territory, or possession of the United States, or any political subdivision thereof, or under the laws of the District of Columbia, to cease operating as agencies or instrumentalities of the United States by June 30, 1948, and prohibits the investment in or employment by any such corporation after that date, except for purposes of liquidation, of Federal funds. This subsection directs the proper corporate authority of every such corporation to institute dissolution or liquidation proceedings on or before June 30, 1948, but makes provision for reincorporation of any such corporation prior thereto by act of Congress, setting out its purposes, of existence, powers, privileges, and duties, including the power to take over the assets and assume the liabilities of its respective predecessor corporation.

THE PEARL HARBOR INVESTIGATION

Mr. TUNNELL. Mr. President, I shall discuss for a short time the situation with reference to Pearl Harbor.

At the time of the surrender of Japan I was under the impression that we as a Nation had fought a pretty good fight. I confess that I experienced a feeling of pleasure when I thought of how well the war had been planned and how well the plans had been executed. I was proud of the manner in which the Presidents of the United States had performed their functions as commanders in chief of the Army and the Navy of the United States.

Shortly thereafter I began to hear veiled criticisms of the President who had died, with reference to Pearl Harbor. That is something which I think will not have the backing of the better thinking people of the United States.

There appeared an editorial in yesterday's New York Times which I think should be read into the Record. It reads as follows:

THE PEARL HARBOR INQUIRY

The congressional committee investigating the Pearl Harbor disaster has been so bedeviled from the start by partisan wranglings on both sides that it has already seriously undermined public confidence in its fairness and impartiality. But the latest conduct of some of its Republican members in particular can hardly bring comfort or satisfaction to the national leaders of that party.

The Republican Party has provided dis-tinguished leadership to the Nation in the past and aspires to lead it again in the future. But Republican members on the Pearl Harbor committee have not only at-tempted to impugn the honesty of the American Navy; they are also espousing the cause of Japan against that of their own country. And they are doing so in defiance of all the historic evidence. The country has the right to know, and know now, whether these tactics are merely the result of the strategy of the individual Republicans involved, or whether they are part of the calculated strategy of the Republican congressional leadership. It is up to that leadership either to repudiate the slurs cast upon the American fighting forces and American policy, or to stand convicted of identifying itself with them—if only by silence.

The thesis of some of the Republican mem-

The thesis of some of the Republican members was stated most bluntly by Representative Gearhart, of California, when he declared: "The Japanese were doing everything in their power to get an acceptable agreement and got slapped in the face on November 26. That precipitated the war." Representative Gearhart was referring to the

famous American note of November 26, 1941, which those of his persuasion prefer to call by its Japanese designation of the "Hull ultimatum." There was never an excuse for any mistake about that note. There is even less now in view of the evidence before the committee itself. And only deliberate misstatement of the facts can now sustain Representative Gearhart's charge.

The record speaks for itself. As early as 1931, Japan embarked on a career of conquest as ambitious and as frankly avowed as was that of the Nazis. She first subjugated Manchuria over American protests. In 1936 she concluded the anti-Comintern pact with Germany and, with that as a backing, invaded China the next year. In 1940, when the western powers were engaged in a life-and-death struggle with Hitler, she concluded a hard and fast military alliance with Germany and Italy, and prepared not only to drive the "for-eign barbarians" from the Far East but also to swallow the whole Orient in her prosperity sphere" as a base for world con-As early as January 1941 her war lords began to prepare for war against the United States, including an attack on Pearl Harbor.

Her great opportunity, hailed in Japan as a "divine wind," came when Germany in-vaded Russia on June 22, 1941, thereby securing Japan's northern flank. Ten days later an imperial conference, presided over by the Japanese Emperor, adopted a crucial national policy, whose nature was revealed in another 10 days by orders for an all-out mobilization for total war. Within 2 weeks Japan invaded French Indochina to provide a base for attacks on the Netherlands Indies and Singapore. This was followed by mutual freezing of assets and virtual suspension of By August the Japanese Fleet began to assemble for war games to rehearse the attack on Pearl Harbor, and the plans for it were completed by September 13. tober 5 the date of the attack was fixed for December 7, our time; General Tojo took over the Government October 17; and the fleet sailed on its fateful mission November 25, or 24 hours before the Hull note was even de-

There goes the accusation that Secretary Hull brought on the war. Twenty-four hours before the Hull note was delivered Tojo took over the government and the fleet sailed on its fateful mission November 25.

True, the Japanese fleet could have been recalled if a settlement had been reached before December 7. But the only settlement that would have recalled it would have been an American acceptance of the Japanese note of November 20, which was a real ultimatum because, unlike the Hull note, it contained, even if unknown to the American Government, a time limit after which military action was to follow automatically. And that note demanded that the United States end her long-standing policy of supporting China, and not only supply Japan with all she wanted for the prosecution of her war in China, especially oil, but also compel the Netherlands East Indies to do likewise. Had the United States bowed to it, Germany and Japan would now control all Europe and Asia, and this country would stand alone against their might. Great Britain and France did not need such a humiliating ultimatum to declare war on Hitler. The American Government merely . replied with a note offering a broad basis of agreement which contained no threat General Tojo himself has declared that he accepts responsibility for the war. Does Mr. GEARHART wish to relieve him of it?

Mr. President, this editorial puts squarely up to Mr. Gearhart the determination as to which side he is on,

According to the New York Times editorial—and it was printed as the first editorial on the editorial page—he is arguing the case of Japan. And for what purpose? Why do we notice such headlines as appear from day to day? For instance, I have here a headline which appeared on Tuesday, November 20, 1945, "Admiral says Roosevelt vetoed '40 plea to have fleet quit Pearl Harbor."

There is constant misrepresentation, because much of the stuff that is put out as news is not news; indeed, it is not even suspicion. It is born of a desire to find some fact by which to besmirch the memory of the dead President.

Those who have the idea of besmirching someone do not stop with the President. They smear the military officers. Somebody has made a great mistake, they say. I wonder how George Washington or General Grant, or any of the American officers of the past, would have stood with these critics.

Oh, they want to go through the personal files of the former President of the United States. They want to dig up something, and they want to be alone when it is done. Can any reason be given why any man should want to search out something alone, and without the remainder of the committee? Is there any sensible, honorable explanation? I know of none.

Some Roosevelt haters have gone so far in their criticisms and false insinuations that they now must try to justify their position. They have given their statements to the newspapers long before questions were asked. We may find their questions set forth in the newspapers—"impartial investigators," people whose only purpose is to find the truth, and whose desire is to have the people of the Nation know the truth. Yet they go to the newspapers and publish their lists of questions.

Their insinuations are spread in headlines, and newspapers which have followed their insinuations, their lead, are in a peculiar position. They are out on a limb. They have to try to justify the position they have taken. The smears they have industriously tried to place on the man who was the victim in the greatest struggle the world ever saw, who at the time when the same gentlemen were opposing the preparation of the United States for the war which everybody knew was coming were opposing preparing the United States for that contest, now seek to smear the memory of the man who did see it, and made their prophecies look like fools' statements.

In this smear campaign those who are attempting to carry it on have a beautiful chance, because they are in no way handicapped by having to tell the truth. Any insinuation as to the late President will get front-page news on the part of certain newspapers.

I think Admiral Dewey would have been declared to be the most despicable character if these persons had been in position to describe him at the time he won his great victory. Of what is President Roosevelt guilty except that he protected the United States when others were afraid to do it, or thought it was good, petty politics, partisan politics, to

hide behind some statement as to his having a desire to be a dictator?

I do not see why it is necessary to besmear anyone. I do not know why we cannot admit that this has been a wonderfully fought war. While we were attacked, and the most despicable methods on earth were used against us, our Government did have men who measured up to the occasion and who did win the war.

No, that is not the method some of our people think they should employ to win partisan political victories. Their belief is that they can win victories by besmearing the man who had the confidence of the American people through four elections, a man who died as much a victim of the war as any man who was shot and killed.

This sneak attack upon the grave of Franklin Roosevelt has already failed. The United States Navy turned back the attack last week, and General MacArthur yesterday gave it the final blow.

In their hatred of the late President his opponents who had never been able to divorce him from the public during his lifetime took new courage at his death, and set out to prove that the Japs were merely a wonderful little people whom Roosevelt and Secretary Hull, hungry for slaughter, tricked into war. That is what they want us to believe. One of the committee said they were doing everything they could to have a peaceful arrangement. With ghoulish glee the Republican national chairman, Brownell, and the more reckless members of that party-we notice the leaders do not join in this-plotted to besmirch the reputation of the Nation's wartime Commander in Chief. Never having been able to do this when he was alive, they would try it when he was dead.

Their plot was as fantastic as the ones they had used when he was living—as hollow as Dewey's charge in 1940 that Roosevelt was out to establish communism in the Republic.

The public had never fallen for such propaganda in the past, but his opponents hoped it might now, when their conqueror was in the tomb. Their plan was to rake through the wreckage of Pearl Harbor and find there the evidence that the pacific, friendly Japanese were trapped by Roosevelt's diplomatic cunning into fighting for their sacred liberty.

In their desperation, his opponents have, in effect, put on Japanese kimonos and hissed, "excuse Japan, please. Honorable Roosevelt and Honorable Hull teased us into honorable surprise attack."

Well, what evidence have these gentlemen in borrowed kimonos now turned up? First of all they have the Navy's word that captured Japanese authorities and Japanese documents prove beyond the slightest doubt that Japan's war lords had allied themselves with Hitler and ravaged peaceful China, and had plotted as early as January 1941 to cripple the United States by a sneak attack on Pearl Harbor. By August 1941, the Jap Navy was rehearsing this sneak attack, and on October 5 even named the date for this criminal act-December 7. The evidence is clear that the Japanese Fleet set out for the cowardly trip to Hawaii on November 25.

Here is where the plot blows up, for they had in their ghoulish ambition hoped to prove that Secretary Hull's message to Japan, sent November 26, had provoked the whole Pearl Harbor venture. And now the Japs openly confess that their fleet had sailed before they learned of Hull's message.

The Japanese Fleet which so stealthily and treacherously set out for Pearl Harbor could have been recalled in midocean if the United States had abjectly surrendered through diplomatic channels. Of course, the sneak attack could have been called off if President Roosevelt and Secretary Hull had hauled down the flag and said to Japan, "So sorry. Go ahead, ravage China; go ahead, take India; go ahead, turn over all the resources of the whole Orient to Hitler. We are glad to desert our friends and knuckle down to the dictators."

Certainly, we could have bought off the Japanese by abandoning the principle of democracy, abandoning humanity, abandoning our own national security. But if Roosevelt and Hull had thus hauled down the American flag, they would today be receiving the scorn of the civilized world, instead of that of merely a few disappointed partisan opponents.

One of his opponents was forced to admit that the Japs' own statements had cleared Hull of provoking the sneak attack; yet, in his baffled vexation, he lost his head and struck at the Navy. How unjustified and cruel this was can be determined by merely reading the actual testimony of the Navy spokesman, Admiral Inglis.

And now imagine, if you will, Mr. President, the confusion of these apologists for Japan, when yesterday there appeared in the afternoon newspapers and in the testimony the report of the Army Intelligence in Japan, the word from the headquarters of General MacArthur, bearing out the Navy's findings.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Massachusetts?

Mr. TUNNELL. No, not now. I shall be through in a short time, and then shall yield the floor.

All through the war, General Mac-Arthur's work has been complicated by the efforts of the Roosevelt-haters to put him into a position of rivalry with the late President. For their own selfish purposes they have used the brave general, trying to build him up as a political weapon they could wield. Now they are caught in their own trop, for the general's report on the pre-Pearl Harbor activities of Japan, arrived at by Army Intelligence, substantiates the Navy's findings as given the Pearl Harbor Committee by Admiral Inglis.

May we now expect the "kimono" boys to smear MacArthur? The armed services, whose intelligence work was good enough to break the Japanese secret code during the war, have each in their separate way proved that it was the Jap war lords and not Americans who struck at Pearl Harbor.

Mr. President, there is one more thing which seems to be very interesting in connection with this subject. We were told that the President had a desire to be called a War President. Yet Admiral Richardson testified that the President stated, "No, we are not going to war"; that the country would not go to war even though Thailand were taken, or possessions of the Allies were taken. He doubted that we should go to war even if the Philippines were taken.

So Admiral Richardson's testimony gave very little encouragement to those who thought they could dig something out of his testimony to cause the memory of the man who had been our greatest Commander in Chief to be less revered.

Mr. President, what satisfaction comes from all this? What is its purpose? There can be but one purpose. Why do they not attack President Truman? President Truman foresaw just such attacks as the one which has been made. I remember well where he stood and the speech he made calling on the Senate to appoint a committee which would prevent there being any ground for such an attack as has been made. But the ground for attacks has had but very little to do with the attacks which have been made. The lack of reason for the attacks has not been a preventive.

President Truman stands in the fortunate position of having taken the position that everything should be on the up-and-up in this war, and he watched the war contracts, the construction work, with a committee over which he presided, and he succeeded to a remarkable degree, and the people of the Nation made him Vice President, and then he became President on the death of President Roosevelt. So we are now in the peculiar position that while we have won a war we have aroused the antagonism of a partisan spirit which has gone to the extent, according to the New York Times of defending and apologizing for Japan. I suppose we had just as well apologize for Japan as apologize for Germany. I think both are on a par. I think we had better take a little time to give some credit to those who have been so gallant, who have sacrified so much time and effort, and who placed themselves on the side of America, rather than to besmirch them even to the grave, and after the doors of the grave have been closed on them.

Mr. SALTONSTALL. Mr. President, I have certainly the greatest respect for the late President Roosevelt, and after the speech which has just been delivered, which has disturbed me very greatly, as a new Member of this body who appreciates the importance of the work performed by the Senate, I wish to say a few words. I have not always agreed with the late President, but I have always had great respect for him.

The speech I have just listened to would seem to indicate that the honorable Senator from Delaware was impugning the integrity of members of the committee which is investigating the Pearl Harbor incident. From my service and experience in this body I know the Members on the other side of the aisle who are serving on that committee, and I have a high regard for them, and am confident that they would live

up to their obligations under the Constitution and the oath they have taken as Senators. I know personally the two Members from this side of the aisle who are serving on the Pearl Harbor Committee, and I have a high regard for their integrity and their feelings toward their obligations and the oath they took as Members of this body. I do not know personally, and I am not sure I could even name the Members of the House of Representatives who sit on the Pearl Harbor Committee. But I am confident, sir, that none of the members of the committee from either House are making apologies for Japan, or are trying, by any questions asked, to make out of this investigation anything for their personal aggrandizement or for their own benefit, or for that purpose to bring out anything that is of a slanderous nature.

And, sir, I cannot, as one who has listened to the entire speech just delivered by the Senator from Delaware, as one who is a new Member of this body, and who speaks now with a great deal of hesitation, but with much sincerity, believe that there is any man on the Pearl Harbor Investigating Committee from either the House or the Senate who through questions or statements of his is making apologies for Japan or Germany and is trying to bring discredit on the late President of the United States. Rather, I believe, every member of the committee is trying his utmost-rightly or wrongly, we are not judges as of today and will not be until the report is submitted-to get the facts concerning Pearl Harbor.

We may not agree with the methods used by members of the committee on either side of the aisle, but, sir, we certainly should not impugn their motives. We should not believe that they are making applyagion for Japan on that they are trying, as Senators, to do anything but to live up to their obligations as citizens of the United States and as sworn employees of our Government.

I say this much on behalf of all the members of the committee whom I know, and also those whom I do not know, because I cannot believe that they would have been selected if they had been men of the character indicated.

Mr. WHITE. Mr. President, I greatly regret the speech which has just been made by the Senator from Delaware [Mr. Tunnell]. First, I regret it because it was an attack upon Members of the Senate who were not present in the Chamber and in a position immediately to answer the charges made against them

I regret it also because clearly, in my mind, it violated the rules of the Senate in that the Senator spoke with disrespect of Members of this body. I think clearly that the utterances of the Senator from Delaware were subject to a point of order. If a point of order had been made, it would have been the clear duty of the Chair to have required the speaking Senator to take his seat, and he could not have proceeded until permitted by the Senate to do so.

I deplore the speech on both grounds. I did not feel compelled to make instant reply, because I am perfectly willing to leave to my colleague from Maine [Mr. Brewster] full opportunity to make any defense he sees fit to make in his own behalf. I have equal confidence in the capacity of the Senator from Michigan [Mr. Ferguson] to meet any criticisms which may be made of him. I do not know how much of the speech my colleague has heard, but I venture to say that he has heard enough so that he has a fair sample of the entire speech, and I leave the Senator from Delaware to his tender mercies.

Mr. BREWSTER. Mr. President, I left the hearings this afternoon at 4 o'clock and arrived at my office at quarter past 4, when I was called on the telephone from the Chamber and informed that the Senator from Delaware was indulging in a somewhat personal vituperation of the members of the committee investigating the Pearl Harbor disaster. I came into the Chamber as quickly as I could.

In my service here it has been my understanding that in the event any member of this body proposed to discuss a matter of a personal character affecting another member, it has been the invariable practice, I believe throughout most of a century, that the other member was entitled to the courtesy of notice. I know that that is the invariable rule which I have followed. It was taught to me by my elders and betters when I entered this body. I assume that perhaps the Senator from Delaware was in ignorance of that rule, in not taking occasion to inform either the Senator from Michigan or myself that he proposed to discuss the quality of our personal service in our capacity as representatives of this body. However, I regret that I was not advised in time to be here to listen to his r'scourse.

I now note that, having denvered whatever might have been his attack, to which
the two previous Speakers, the Senator
from Massachusetts [Mr. Saltonstall
and the Senator from Maine [Mr. Whitel
have referred, the Senator from Delaware has promptly left the Chamber,
even before they finished speaking, apparently without interest in whether or
not there might be any reply to any of
the insinuations or accusations which he
made.

From the hurried report of this situation from my colleagues I gather that the Senator from Delaware has referred to our activities in the committee which was appointed on September 6, pursuant to the resolution submitted by the majority leader, the Senator from Kentucky [Mr. Barkley].

The first time it occurred to me that there was any misunderstanding in this matter was in connection with a cartoon which appeared in the Washington Star on Sunday of this week. It portrays the Senator from Maine as saying to the Senator from Michigan that "The Navy is trying to make the Japanese responsible for Pearl Harbor." The Senator from Michigan is represented as saying, in apparently very feeling tones, "We will not let them get away with that." I gathered that the plain insinuation was that we were taking the Japanese end of this argument, and that the Japanese, and

no one else, had the simple and sole responsibility for Pearl Harbor.

As I pondered this suggestion, I was amazed that so penetrating a cartoonist as Mr. Berryman had voiced the idea, and I wondered whether or not it represented the thought of any substantial number of our citizens. I could well understand how some such idea might get abroad from the necessary inquiries as to the Japanese program, plans, and various developments. It would be very easy to attach sinister suggestions to a detached word or phrase here and there, or to the difficulties and discussions which inevitably arise. But it seemed to me that the simple and sufficient answer to any suggestion that either the committee or any of its members is proceeding somewhat afield or somewhat apart from the inquiry is found in the very purpose of the inquiry itself.

If the Japanese were solely responsible for Pearl Harbor, what is this investigation all about? Certainly we needed no investigation to determine that the Japanese attacked us vilely and foully at Pearl Harbor. Certainly the distinguished majority leader, when he submitted his resolution on September 6 and asked for its immediate adoption, had no illusions on that score. I could read at length from his masterly address on that occasion. I invite the attention of the Senate and of the country to what he said, pointing out that for 4 long years this country had pondered what was back of this situation, how it happened that such terrific damage was done and 3,000 of our young men were slain by the sneak attack, and whether or not there was any fault or responsi-bility upon anyone in the United States, as the majority leader said so poignantly, high or low, living or dead.

Mt no time during this inquiry have we even approached the borders of the very profound questions which he raised. But I recall to the Senate a little of what he said, in order that Senators may understand the full scope of what the investigation was supposed to cover.

After first detailing the history of this matter and of the various investigations, the Roberts report, the Hewitt report, the Hart inquiry, the Navy inquiry, and the Army inquiry, under the direction of Congress, the Senator from Kentucky said:

Mr. President, I shall not at this time attempt to discuss these various reports in detail, but after studying them to the extent possible in the time at my disposal, I am convinced that a further searching inquiry should be made under the authority and by the direction of the Congress of the United States.

In forming this opinion, Mr. President, I cast no reflections upon the ability, the patriotism, the good faith, or the sincerity of the boards which have thus far investigated and reported upon the Pearl Harbor disaster, nor on any member of these various boards.

I wish that the Members of this body could display similar confidence in the integrity and intentions of the Members of this body who have been assigned, without solicitation upon their part, to participate in the searching inquiry proposed by the majority leader. Apparently we were selected because of the

experience which we had had for 4 years upon an investigating tribunal which had certainly come to command the confidence of the people of the United States. Its chairman was finally elevated to the position of President of the United States. Whatever we have learned regarding investigations we have learned at the feet of the one who is now the Commander in Chief. We have tried to apply those lessons in carrying out the high responsibility with which we have been entrusted. In the full language of the distinguished chairman of our committee—

It should be conducted without partisanship or favoritism toward any responsible official, military, naval, or civilian, high or low, living or dead.

It should be conducted in an atmosphere of judicial responsibility, and it ought to be so complete and so fair that no person could doubt the good faith of the report and the findings made in it, or those who make it.

It ought not to be conducted or undertaken for the purpose or with the sole view of vindicating or aspersing any man now in office, or who has been in office during the period involved.

It ought not to be undertaken or conducted for the purpose of enhancing or retarding the welfare of any political party, or any person now in office, or any person who desires or aspires to hold public office.

Why was this necessary? Because the reports—and again I quote the majority leader—

are confusing and conflicting when compared with one another, and to some extent contain contradictions and inconsistencies within themselves.

Under these circumstances it is not strange that widespread confusion and suspicion prevails among the American people and among the Members of Congress.

It is a most amazing thing that in the very inception of this inquiry, during a period of 9 weeks of preparation, the full committee was laboring under the handicap of an Executive order which forbade the disclosure of any information by any members of the executive department concerning the major subject of this inquiry and the revelations contained in the various messages decoded from the Japanese. That, after all, was the primary purpose of the inquiry; and yet it has been only within the past 10 days that it has been possible for any member of the executive department to speak with any measure of freedom to any member of the committee or its counsel. So under those circumstances, which we have hitherto detailed upon the floor of the Senate, the difficulties of which we have pointed out-and there has been a full and free discussion in accordance with American tradition-we have concealed nothing in urging that we felt that the situation was to some extent a handicap.

Finally, the procedure has commenced; and during the past 4 days we have been holding hearings—premature, as we believe, because the vast number of documents necessarily concerned with this inquiry and absolutely essential to the examination of witnesses were not then and are not now available to the committee or to any of its members.

But under those circumstances, and in compliance with the will of the majority who control the functioning of the com-

mittee, we have proceeded with the hearings which have thus far elicited information of the highest importance to the people of the United States and to posterity which, after all, must be the final judges not only of the rectitude of those of us here, but of the determination of a course calculated to avoid another Pearl Harbor in the days that are to come. That, after all, I take it, is the fundamental purpose of this procedure, and in that connection it is necessary to examine into the acts of men everywhere, high or low, living or dead. There cannot be a curtain drawn across. Yesterday Admiral Richardson appeared and testified as to his conversations calculated to demonstrate what degree of responsibility in connection with certain actions was to be borne by any of those in authority, and there must necessarily be and there will be a long procession of other witnesses-naval, military, civilian, diplomatic, high and low-and in the course of time the program will unfold.

Upon what are based the accusations made by the Senator from Delaware, which I have not been privileged to hear, I cannot tell until tonight or tomorrow when I shall read the RECORD, when it may well be in order to pay further attention to his comments. But certainly, Mr. President, it is idle to suggest that in this proceeding, all we need to do-as was the suggestion of the Berryman cartoon; and I hold Mr. Berryman in very high regard, both as a friend and as a cartoonist-or to suggest that all we in this country need to do is to say "The Japanese are responsible for Pearl Harbor." and with that dispose of the case, and dismiss the idea that anyone else in America-in our armed forces, in our diplomatic services, in our executive departments-was in any way negligent or at fault. If that were the only purpose, then there would be no need to constitute a joint committee, no need to adopt the resolution so eloquently presented by the Senator from Kentucky [Mr. BARK-LEY] on September 6, and no need for the long and weary labors which already have been exerted in the examination of thousands of pages of documents and which will proceed for no inconsiderable time to come.

Certainly the thought of America and of its people is that they shall be the ones who shall be the final judges of this matter—not we little pygmies who pass our day here in pitiful publicity for a time, not we, not this committee, not the Senate; but the people of the United States, upon the basis of the record we may be privileged to write.

The majority leader suggested in his discussion a week or two ago that the minority had no monopoly on patriotism or on intelligence or integrity. With that suggestion we, as Americans, certainly agree. But it has been the tradition of Anglo-Saxon government for nearly a thousand years, from the time when the barons wrested their just rights from King John at Runnymede, that no man is competent to investigate himself. So it has been a principle of Anglo-Saxon parliamentary government that the minority have rights, that the minority are privileged to ask questions, that the minority are recognized as a responsible

element in the functioning of government.

So. Mr. President, the minority who stand here indicted by the absent Senator from Delaware, have certain rights which we shall continue to hold inviolable. After we have been privileged to read what the Senator from Delaware may have said, if it shall require answer, we shall be pleased to make whatever answer may be appropriate. We are unable to reply to charges which we have never heard or seen. But if the Senator from Delaware suggested or if anyone suggests that all there is to the Pearl Harbor investigation is to decide that the Japanese were to blame, and then call it a day, then, indeed, is all the discussion of 4 years a very vain thing; then, indeed, is the majority leader, who presented the resolution, chasing up an entirely blind alley; then indeed, are the ten Members of the Congress who have been designated by their colleagues to act as the committee, and who have been laboring in the vineyard for weeks without end, trying to arrive at a determination which shall be calculated in some way to be a conclusion of this subjectthen, indeed, we shall have been doing a vain thing.

But if we are to take the task seriously, then we hope the majority will recognize that in one aspect of this matter they are in some measure seeking to investigate themselves. Without any disparagement of the distinguished majority leader and his colleagues, I am sure everyone will agree that it would be a little difficult for the majority leader to take the bit in his teeth and explore all the highways and byways. as he so eloquently expressed it here upon this floor a little while ago, in order to expose the defects of an administration of which he has been so intimate a part.

This matter involves no reflection upon the patriotism or loyalty of any man. We are all human. We all make mistakes. It is possible that some gentleman upon the other side may have made mistakes, but I am sure they are good enough Americans not to wish to hide behind any curtain of refusal to have a full, fair investigation now that the war has ended.

It is possible that downtown, in the War Department, in the Navy Department, in some of the other executive departments, someone made a mistakenot through malicious intention, not through lack of patriotism, but through the limitation which prevails upon human conduct in every way. We simply ask to have granted to us something of the charity which they necessarily must ask for themselves, as we go forward. not seeking to destroy the reputation of any man, but seeking to lay before the American people, as well as we may, the records of a military catastrophe unprecedented in the history of this country and, almost, in the history of the world, and to ascertain all of its facts and implications, which ended, not at Pearl Harbor, not with the death of 3,000 men there, or with the sinking of our battleships there, but not until a year later, when, on a shoestring, we went into Guadalcanal. Then we were still paying a terrific price for the lack of adequate preparedness resulting in no small measure from the destruction of our forces at Pearl Harbor by the sneak attack there.

So, Mr. President, if this country is concerned with developing a defense mechanism which shall be capable of bringing about not merely the integration of our military services but the integration of our diplomatic services so that there shall never again be a lack of coordination which shall contribute in any degree to so dire a disaster, then, indeed, our labors will not have been in

Mr. President, I am sorry that any Member of this body, thus early in this investigation, without, so far as I know, attending the hearings or reading the record which already has been written, should seek to destroy the confidence of the American people in the record which has been written by men who are trying day by day before that tribunal to maintain a searching scrutiny of crossexamination in accordance with the tested traditions of Anglo-Saxon jurisprudence, in order to bring out the truth. Although I have not had adequate opportunity to examine what the Senator from Delaware has said, it appears to me to be rather a strange note that there seems to be so great a fear that perhaps we shall uncover something which may in any degree reflect upon the competency or the intelligence or the possible mistakes of any persons. After all, in all the enormous responsibilities of the last decade it is little wonder if anyone made a mistake. Yet there seems to be a fear that mistakes may possibly be uncovered, if they were made.

I do not speak here as a judge. simply appeal for continued fairness of consideration of the procedures which the Senator from Michigan and I are seeking to apply from the lessons we learned at the feet of the Truman Committee throughout the past 4 years. We have no doubt that time and events will vindicate the wisdom of the course and the procedures which we are advocating so earnestly as calculated to give to the American people a fairer picture of the facts.

Mr. FERGUSON. Mr. President, I simply should like to have the RECORD show that I was present at the Pearl Harbor hearing, and during almost the entire hour between 3 and 4 o'clock I was asking questions of Admiral Richardson in the hearing room in the Senate Office Building. I then returned, after 4 o'clock, to my office, where I received word that the Senator from Delaware was making a statement on the floor of the Senate and that it might be of interest to me. I immediately came to the floor of the Senate, but the Senator from Delaware had concluded his remarks, so I am not advised as to what those remarks were.

At the present time, not knowing or having an idea as to what the Senator from Delaware said, I am unable to make any further statement; but between the time of this session of the Senate and the next, I wish to read his remarks; and if they call for a reply I shall ask permission of the Senate to address it at some time during the intervals between the holding of committee sessions, which consume the hours from 10 to 12 in the forenoon and from 2 to 4 in the afternoon. Of course, I wish to advise the Senator from Delaware of my intentions so that he may be present and have the privilege of being on the floor at the time of the delivery of my remarks. That is a privilege which I did not have during the delivery of his remarks.

Mr. HILL. Did the Senator suggest that the Senate meet tomorrow? I believe it was the plan of the leaders to meet at 12 o'clock noon on Friday next.

Mr. FERGUSON. That would be satis-

factory to me.

Mr. BREWSTER. It seems to me that it is a very unusual situation in which we find ourselves. I am advised by my colleagues that much of the discussion of the Senator from Delaware, in its attack upon certain Members of the Senate, was undoubtedly out of order. While I hesitate to bring personal affairs into the Chamber of the Senate, the Senate is apparently the forum in which such statements as have been made should be answered. Apparently the remarks of the Senator from Delaware were considered to be of some importance and consequence. I feel that it might be well for this tribunal to reassemble tomorrow.

Mr. HILL. When the distinguished Senator was engaged before the Pearl Harbor committee, discussion took place on the floor of the Senate as to what should be the order of business, and what the Senate would do during the remainder of the week. It was pretty well understood and agreed, I believe, that there would be no session of the Senate tomorrow, and that at the conclusion of its business today the Senate would take a recess until next Friday. Of course, if the Senate convenes on Friday the Senator will have an opportunity to say what he wishes to say.

Mr. BREWSTER. May we have an understanding that if the Senator from Michigan and I feel that it is necessary and appropriate to reply in some form to the Senator from Delaware, we may secure consideration of the Senate? I ask the question because we are supposed to be in attendance upon the sessions of the Pearl Harbor committee from 2 to 4 o'clock every afternoon.

Mr. HILL. The Senator requests what? Mr. BREWSTER. I request that an understanding be reached that the Senator from Michigan and I will receive recognition of the Chair between 12 o'clock and 2 o'clock next Friday.

Mr. HILL. It is the understanding that there will be a call of the calendar on Friday, but I assume that the distinguished Senator from Maine and the distinguished Senator from Michigan, if they wish to address the Senate when it convenes on Friday, will be able to do so. I do not believe there will be any difficulty in obtaining the floor. Certainly if the Senator should see fit to rise to a question of personal privilege, as he knows he has a right to do at any time, and ask for the privilege of addressing the Senate, after obtaining the floor he could address the Senate for as long as he saw

Mr. CONNALLY. I think it is unfortunate to involve the personal privilege rule. It is always subject to the rule of the Chair.

Mr. HILL. There is no question that the Senator will be given leave to speak.

Mr. WHITE. Mr. President, as I understand, the Senator from Maine, my colleague, and the Senator from Michigan will have an opportunity to make such statements as they deem appropriate on convening of the Senate on Friday next.

Mr. HILL. I certainly believe that if either the Senator from Maine or the Senator from Michigan shall desire to address the Senate on Friday, they will have an opportunity to do so.

DISCONTINUANCE OF LAND-GRANT RAIL-ROAD RATES—CONFERENCE REPORT

Mr. WHEELER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 694) to amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:.

"SEC. 2. The amendment made by section 1 of this Act shall take effect October 1, 1946: Provided, however, That any travel or transportation specifically contracted for prior to such effective date shall be paid for at the rate, fare, or charge in effect at the time of entering into such contract of carriage or shipment."

And the Senate agree to the same.

ED. C. JOHNSON, BURTON K. WHEELER. E. H. MOORE, CLYDE M. REED Managers on the Part of the Senate. LYLE H. BOREN, J. PERCY PRIEST. OREN HARRIS, PEHR G. HOLMES, CARROLL REECE. Managers on the Part of the House.

Mr. WHEELER. Mr. President, I move the adoption of the report.

The PRESIDING OFFICER. question is on agreeing to the conference report.

Mr. WHITE. Mr. President, with reference to what bill is the conference re-

Mr. WHEELER. The conference report is on House bill 694, the so-called land-grant bill. The only change made in the bill by the conference committee was to strike out the McFarland amendment. There was considerable objection in the Senate to the amendment, but it was taken to conference. The House refused to accept it. Otherwise the bill is in the form in which it was passed by the Senate.

Mr. WHITE. Has the conference report been signed by all the conferees?

Mr. WHEELER. It has been signed by all the conferees except the Senator from Arizona | Mr. McFarlandl. He did

not sign the report because the amendment involved happened to be his.

The PRESIDING OFFICER. question is on agreeing to the conference report.

The report was agreed to.

AUTHORIZATION FOR COMMITTEE ON CLAIMS TO FILE REPORTS

Mr. HILL. Mr. President, I ask unanimous consent that during the recess of the Senate, following today's session, the Committee on Claims may be authorized to file reports on certain bills.

Without The PRESIDING OFFICER. objection, it is so ordered.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr WAGNER, from the Committee on

Banking and Currency: Herbert E. Gaston, of New York, to be a member of the Board of Directors of the

Export-Import Bank of Washington, D. C., for a term expiring June 30, 1950; and William McChesney Martin, Jr., of New York, to be a member of the Board of Directors of the Export-Import Bank of Washing-

ton, D. C., for a term expiring June 30, 1950. By Mr. McKELLAR, from the Committee on Post Offices and Post Roads: Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports from committees, the clerk will state the nominations on the calendar.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Wallace S. Gourley to be United States district judge for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of William McClanahan to be United States attorney for the western district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of John P. Logan to be United States marshal for the northern district of Oklahoma

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. HILL. I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO FRIDAY

Mr. HILL. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until Friday, November 23, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate November 20 (legislative day of October 29), 1945:

REGISTER OF LAND OFFICE

Frank Olson, of Idaho, to be Register of the Land Office at Blackfoot, Idaho, vice Frank E. Dekay, term expired.

WAR DEPARTMENT THE CHIEF OF STAFF

General of the Army Dwight David Eisenhower, Army of the United States, for appointment in the Regular Army of the United States as the Chief of Staff with the rank of General of the Army, for a period of 4 years from November 19, 1945, vice General of the Army George Catlett Marshall, the Chief of

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE COLONEL WITH RANK FROM OCTOBER 20, 1945

Lt. Col. Harry Langdon Reeder, Infantry (temporary colonel).

T BE COLONELS WITH RANK FROM NOVEMBER 1, 1945

Lt. Col. Jay Edward Gillfillan, Infantry (temporary colonel).

Lt. Col. Richard Jaquelin Marshall, Quartermaster Corps (temporary major general). Lt. Col. Leon Edward Ryder, Signal Corps (temporary colonel).

Lt. Col. Jay Drake Billings Lattin, Signal

Corps (temporary colonel). Lt. Col. James Donald MacMullen, Coast Artillery Corps (temporary colonel).

Lt. Col. Ralph Townsend Heard, Field

Artillery (temporary brigadier general) Lt. Col. Charles Douglas Yelverton Ostrom,

Coast Artillery Corps (temporary brigadier

Lt. Col. Turner Mason Chambliss, Infantry (temporary colonel).

Lt. Col. John Frederick Ehlert, Infantry (temporary colonel).

Lt. Col. Theron Gray Methven, Infantry (temporary colonel).

Lt. Col. Robert Whiting Daniels, Ordnance Department (temporary colonel).

Lt. Col. Francis Arnold Hause, Coast Artillery Corps (temporary colonel), subject to examination required by law.

Lt. Col. Paul Lewis Ransom, Infantry (temporary brigadier general).

Lt. Col. Roderick Random Allen, Cavalry (temporary major general).

Lt. Col. Edward Elliott MacMorland, Ordnance Department (temporary brigadier general).

Lt. Col. Adolphus Worrell Roffe, Cavalry (temporary colonel), subject to examination required by law.

Lt. Col. Manton Sprague Eddy, Infantry (temporary major general), subject to examination required by law.

Lt. Col. Henry Benjamin Holmes, Jr., Coast Artillery Corps (temporary brigadier general), subject to examination required

Lt. Col. Gabriel Thornton Mackenzie, Infantry (temporary colonel).

DEPARTMENT OF THE NAVY

CHIEF OF NAVAL OPERATIONS

Fleet Admiral Chester W. Nimitz to be Chief of Naval Operations in the Department of the Navy, for the term of 2 years.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 20 (legislative day of October 29), 1945:

UNITED STATES DISTRICT JUDGE

Wallace S. Gourley, to be United States district judge for the western district of Pennsylvania.

UNITED STATES ATTORNEY

William McClanahan, to be United States attorney for the western district of Tennessee.

UNITED STATES MARSHAL

John P. Logan, to be United States marshal for the northern district of Oklahoma.

POSTMASTERS

KANSAS

William D. Trump, Ellsworth. Glenn Vernon Downs, Leoti.

Estelle L. Grady, Glen Arbor. Boyd L. Havens, Hope. Christina Meyers, Rothbury.

MINNESOTA

Herman B. Lund, Dalbo. Bonnie B. Martinson, Upsala. Fred A. Melcher, Woodstock.

NORTH CAROLINA

Treva Wakefield, Guilford.

PENNSYLVANIA

Nellie E. Flaherty, Morea Colliery. Timoria E. Warnick, Nuremberg. Anna Nock Kristofeck, United.

TEXAS

Errie E. Morgan, Arcadia. Clark Tablor, Clyde. Doris Johnson, Comstock. William C. Harrell, Emhouse. Lucille R. O'Connor, Newgulf. Randolph B. Gafford, Turkey.

WISCONSIN

Emma P. Heesakker, Combined Locks. Bonnie P. Clark, Gilmanton. Laura A. Guenther, Knowlton. Margaret E. Ingham, Lynxville. Verl A. Bokath, Rib Lake. Ambrose Sheedy, Suamico.

HOUSE OF REPRESENTATIVES

Tuesday, November 20, 1945

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following

Heavenly Father, Thou who travelest on the wings of the morning, teach us